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Japan

Ozaki Denies G-7 European Meeting Scheduled

OW0502100693 Tokyo KYODO in English 0936 GMT 5 Feb 93

[Text] Tokyo, Feb. 5 KYODO—Vice Finance Minister Mamoru Ozaki denied Friday reports that finance ministers and central bankers of the group of seven (G-7) economic powers are planning to meet in Europe this month or early next month.

Ozaki, speaking at a regular press meeting, said he has not heard of a meeting being arranged.

Reports from Washington, quoting an anonymous U.S. Treasury official said, the G-7 top financial officials are expected to meet soon in Europe.

But Ozaki said U.S. Treasury Secretary Lloyd Bentsen seems to be thinking about holding informal meetings in the future.

Referring to Japan's current account surplus data released by the Finance Ministry Friday, Ozaki admitted the surplus is huge but also defended the statistics, saying the high export figures are mostly the result of the appreciation of the yen against the dollar. In terms of volume, export growth is mostly flat, he said.

"I don't think this alone can be a target of criticism," he said. Japan is not flooding any countries with any certain product that would hurt their industries and employment conditions, he said.

He hoped Thursday's reduction of the official discount rate as well as a quick passage of the fiscal 1993 budget will contribute to reviving the economy and increasing imports.

Japan's current account surplus in 1992 jumped 61.3 percent from the year before to 117.62 billion dollars.

On the debated recycling of Japan's surplus, Ozaki said funds are already being recycled, as shown by the unchanging amount of foreign reserves, but the recycling is conducted much like the repayment of short-term debts by banks. He said perhaps it is necessary to try to direct funds to certain areas.

But Ozaki went on to say that apparently Russia and Eastern Europe are most in need of funds, and sending funds to those countries is not just an economic issue, but also a political one. Japan has refused to make any major economic commitment to Russia because of a bilateral dispute over four islands off Hokkaido that Russia controls.

Ozaki said there should be diverse effects from the central bank's cut of its key lending rate because the rate now is at a record low level, and that once the budget is passed the benefits of the credit ease will become clearer. The central bank slashed the discount rate by 0.75 percentage point to 2.5 percent Thursday, which matches the low level that lasted for more than two years starting in February 1987.

Ozaki said Tokyo stock prices seem to be staying firm and he does not expect a further decline in the stock market from what he currently sees.

Miyazawa Views U.S. 'Fast Track' Prospects

OW0502110093 Tokyo KYODO in English 1042 GMT 5 Feb 93

[Text] Tokyo, Feb. 5 KYODO—Prime Minister Kiichi Miyazawa said Friday the stalled Uruguay Round of international trade talks could be discussed at the Tokyo summit in July if the U.S. fast track authority is not extended for more than one year.

Miyazawa was asked about prospects for the extension of the fast track authority at a session of the House of Representatives Budget Committee.

Under the so-called fast track scheme, the U.S. Administration has by March 2 to hand congress for ratification a comprehensive international trade agreement it proposes to sign.

The fast track authority provides two guarantees essential to successful negotiations of such a trade agreement—a ratification vote within a fixed period of time and acceptance or rejection without amendment.

"If it (the fast track authority) is extended for one or two years, no specific discussion (on the Uruguay Round) will take place," Miyazawa said.

The Uruguay Round of multinational trade negotiations was originally scheduled to be completed by December 1990 but has been repeatedly stalled mainly over differences on farm trade issues.

The round, being held under the auspices of the General Agreement on Tariffs and Trade, is designed to set new rules on free trade in agriculture and 14 other sectors.

U.S. Urges Acceptance of Tariffication Proposal

OW0502144193 Tokyo KYODO in English 1424 GMT 5 Feb 93

[Text] Tokyo, Feb. 5 KYODO—The United States has urged Japan to accept a proposal that would lead to the opening of its rice market, Japanese officials said Friday.

The U.S. made the request in talks between senior U.S. and Japanese trade negotiators in Geneva on January 15, said officials at the Ministry of Agriculture, Forestry and Fisheries.

"It will be difficult to extend the fast track authority without it (Japan's acceptance of the tariffication proposal)," one U.S. trade official was quoted as telling Japanese trade negotiators.

The fast track authority granted by congress provides the U.S. Administration with two guarantees essential to successful negotiations of trade agreements—a congressional vote within a fixed period of time on ratification of a proposed trade pact and with no amendments.

The U.S. Administration has by March 2 to notify Congress of its intention to sign a world trade pact as it is required to give such notification 90 days before the congressionally granted authority expires at the end of May.

Responding to the new urgings, one ministry official said, "the extension of the fast track authority and rice are separate issues. It's not realistic to make all agricultural products subject to the tariffication proposal."

The so-called tariffication proposal was put forward by General Agreement on Tariffs and Trade (GATT) chief Arthur Dunkel in an attempt to break a longstanding deadlock in the Uruguay Round of multinational trade negotiations.

The proposal calls for converting all nontariff trade barriers such as import bans into tariffs that could be lowered progressively.

The rice issue is one of several problems blocking completion of the six-year-old Uruguay Round of trade negotiations under GATT.

Japan has been opposed to the tariffication proposal because it would force it to abolish its near total ban on rice imports, which it says is needed to maintain self-sufficiency in the nation's staple food.

Tanabu Denies Tariffication of Wheat Imports

OW0502044693 Tokyo KYODO in English 0432 GMT 5 Feb 93

[Text] Tokyo, Feb. 5 KYODO—Farm Minister Masami Tanabu on Friday firmly denied a news report that Japan may accept GATT-proposed tariffs on its imports of wheat and milk products.

Tanabu was responding to a report in the ASAHI SHIMBUN on Friday that said Japan has sounded out the United States and the European community about conditions for possible Japanese adoption of tariffs rather than its current system of import quotas on wheat and milk products.

"I don't know where and how such a story came from," but it has nothing to do with (the Ministry of Agriculture, Forestry, and Fisheries)," said Tanabu at a regular press conference after the day's cabinet meeting.

Comprehensive tariffication to replace all trade barriers is the central issue of the ongoing Uruguay Round of world trade liberalization talks being held under the auspices of the General Agreement of Tariffs and Trade (GATT).

Japan has persistently called for the exclusion of rice, wheat, and milk products from the items covered by the proposed tariffication, citing its policy of maintaining self-sufficiency in staple food products.

The Japanese farm minister added that he feels the Japanese Diet did not adequately discuss Japan's Uruguay Round position when it adopted a resolution three times to keep a total ban on rice imports.

Benefits and disadvantages of maintaining the ban were not made clear in the Diet debate, he said.

The Japanese parliament has adopted rice import ban resolutions in three different sessions, most recently in September 1988, since the Uruguay Round was launched in 1986.

Tanabu said his ministry is trying to respect and act upon the Diet resolution.

Schedule of Watanabe's U.S. Visit Viewed

OW0502010193 Tokyo KYODO in English 0024 GMT 5 Feb 93

[Text] Tokyo, Feb. 5 KYODO—Foreign Minister Michio Watanabe will leave Tokyo for Washington on February 11 to conduct the first high-level bilateral talks since the advent of the new administration of U.S. President Bill Clinton, the Foreign Ministry said Friday.

Watanabe is scheduled to hold talks with U.S. Secretary of State Warren Christopher on February 12.

The foreign minister may also pay a call on Clinton and hold talks with Treasury Secretary Lloyd Bentsen and Defense Secretary Les Aspin, ministry sources said.

He is scheduled to fly back to Tokyo on February 14.

Watanabe's visit is intended partly to lay the groundwork for a visit to Washington by Prime Minister Kiichi Miyazawa, they said.

The U.S. Government has recently insisted it is not laying any preconditions for Miyazawa's visit, despite U.S. Ambassador to Japan Michael Armacost's remarks to Japanese officials in January that the prime minister should not go to Washington empty-handed.

The United States, suffering from a massive trade deficit with Japan, wants the Japanese Government to implement further measures to expand its domestic demand.

While in Washington, Watanabe is expected to present Japan's ideas for a high-level intergovernmental forum for economic and trade dialogue. The forum would replace U.S.-initiated bilateral talks to remove barriers to trade and investment, known as the Structural Impediments Initiative (SII).

Protectionism on Agenda

OW0502090593 Tokyo KYODO in English 0854 GMT 5 Feb 93

[Text] Tokyo, Feb. 5 KYODO—Foreign Minister Michio Watanabe will visit Washington from Thursday and urge the new U.S. Administration of President Bill Clinton to reject protectionism and managed trade, a Foreign Ministry spokesman said Friday.

Spokesman Masamichi Hanabusa told foreign correspondents that a primary aim of Watanabe's visit, Japan's first high-level contact with the new U.S. leadership, will be to "affirm the determination to maintain a free-trade atmosphere."

Hanabusa expressed concern about "mounting pressures for protectionism in the United States and elsewhere," suggesting the trend could hamper global economic growth.

"But since this is the first meeting, I don't believe that any specific (trade) issue will be...'negotiated' during the visit," he said.

Watanabe will hold talks Friday with U.S. Secretary of State Warren Christopher and ministry sources said efforts are under way to arrange meetings with Treasury Secretary Lloyd Bentsen and Defense Secretary Les Aspin.

Japan hopes the foreign minister will also have a chance to meet with Clinton, Hanabusa said.

The spokesman said the talks in Washington should serve to set the agenda and priorities for future relations between the two countries.

He said Watanabe intends to take up with Christopher such topics as the two countries' relations with China and Russia, the future role and organization of the United Nations, and the security situation in the Asia-Pacific region.

Sources said that Watanabe will stress the continued relevance of Japan-U.S. security arrangements in the post-cold war era in light of Japanese concerns over isolationist sentiments expressed during the American presidential campaign.

The foreign minister, they said, will positively address the issue of Japanese host-nation support for U.S. forces here.

Hanabusa said Watanabe and his U.S. counterpart will discuss how to facilitate a successful conclusion of the prolonged Uruguay Round of multilateral trade talks,as well as preparations for the July summit meeting in Tokyo of the leaders of the Group of Seven (G-7) major industrialized nations.

Watanabe's visit is intended partly to lay the groundwork for a visit to Washington by Prime Minister Kiichi Miyazawa.

The U.S. Government has recently insisted it is not setting any preconditions for Miyazawa's visit, despite remarks by U.S. Ambassador Michael Armacost to Japanese officials in January that the prime minister should not go empty-handed to Washington.

The United States, suffering from a massive trade deficit with Japan, wants the Japanese Government to implement further measures to boost domestic demand.

Sources said Watanabe will not be presenting any concrete proposal in Washington for a follow-up forum to the U.S.-initiated Structural Impediments Initiative (SII).

Rather, they said, he will be trading views with the U.S. side in a "flexible" manner on such alternatives as a ministerial-level intergovernmental forum for economic and trade dialogue.

Mitsui To Import GM Recreational Vehicles

OW0502050293 Tokyo KYODO in English 0339 GMT 5 Feb 93

[Text] Tokyo, Feb. 5 KYODO—Mitsui and Co. will sell recreational vehicles imported from U.S. auto giant General Motors [GM] Corp., becoming the first Japanese general trading house to market imported automobiles, company officials said Friday.

The major trading firm has agreed with GM to sign a contract to import and sell six-seat Starcraft Astro and seven-seat Starcraft Chevy—GM minivans with interiors converted for camping and other purposes by Starcraft Corp. of the United States.

The import timetable, sales target and other details of the contract are still under negotiations and will be announced soon, the officials said.

But they said Mitsui plans to distribute the vehicles through import car dealers with which it already has other business relationships.

The move will likely "contribute to expanding imports of U.S. autos," said the officials, adding that for now there are no plans to expand imports to passenger car models.

With the exception of a few parallel imports, GM vehicles are mostly imported and distributed in Japan by Yanase and Co., a major automobile importer.

Trade Talks With PRC Planned for 12 Feb

OW0502092393 Tokyo KYODO in English 0915 GMT 5 Feb 93

[Text] Tokyo, Feb. 5 KYODO—Japan and China will hold trade talks in Beijing next Friday and Saturday to exchange views on the recent state of their bilateral economic relationship, Foreign Ministry officials said Friday.

The seventh meeting of the Japan-China mixed committee on trade, established under the 1974 Japan-China trade accord, will take up a variety of trade-related issues with a view to maintaining good relations, the officials said.

The Japanese side is expected to be briefed on China's policies for pursuing market-oriented economy and joining the General Agreement on Tariffs and Trade (GATT) as well as other issues at the biennial working-level talks, they said.

The Chinese delegation will be headed by Rong Weixiao, vice director of the Asian-African Affairs Department of the Ministry of Foreign Economic Relations and Trade, they said.

Shigeo Takenaka, councilor of the Foreign Ministry's Asian Affairs Bureau, will lead the Japanese delegation, which will consist of officials concerned from the Ministries of Finance, Agriculture, Fisheries and Forestry, and International Trade and Industry, in addition to the Foreign Ministry, they said.

Military Role Said Not Linked to UNSC Seat

OW0502043293 Tokyo KYODO in English 0405 GMT 5 Feb 93

[Text] Tokyo, Feb. 5 KYODO—Prime Minister Kiichi Miyazawa disagreed with U.N. Secretary General Butrus Butrus-Ghali on Friday that Japan's military contributions to the United Nations are linked to its bid for permanent membership of the U.N. Security Council.

"Military contributions to the United Nations are a completely different issue" from Japan's eligibility for a permanent Security Council seat, Miyazawa told the House of Representatives budget committee. [no closed quotation marks as received]

He was commenting on remarks Butrus-Ghali made in interviews with the Japanese media Wednesday that a bigger military role would "facilitate" Japan's permanent membership of the Security Council.

Butrus-Ghali, who is to visit Japan from February 15 to 19, also said he would like Japan to change its Constitution to allow its troops to participate in proposed peace-enforcement operations, which could include offensive military action.

Replying to a question by Social Democratic Party member Yoshinao Kushihara, Miyazawa reiterated that Japan welcomes international debate on the rapid deployment U.N. military force proposed by Butrus-Ghali last June, but Japan's participation should be considered separately.

Miyazawa said the restrictions on Japan's military will be explained to Butrus-Ghali when he visits Tokyo.

Article 9 of the Constitution bans the use of force to settle international disputes, and Japan has limited its participation in U.N. peacekeeping operations to activities that do not involve military force.

At a news conference, Chief Cabinet Secretary Yohei Kono said that Butrus-Ghali is entitled to air his views on Japan's Constitution, but "Japan has its own position."

"There are historic reasons behind our Constitution and our philosophy today. There are things that we can do and things we can't do," he said, alluding to Japan's militarism that led to World War II.

Kono noted that any revision of Security Council membership would require lengthy debate and said Japan's military contribution should not necessarily be regarded as a qualification or important condition.

"There are many roles we can play in international society and we plan to contribute to the best of our ability," Kono told reporters.

He said some people in Japan may regard Butrus-Ghali's remarks as pressure or interference into domestic affairs.

Foreign Minister Michio Watanabe, who has been pressing for debate on Japan's military contribution to the U.N., also responded cautiously to Butrus-Ghali's proposal.

Speaking at a separate news conference, Watanabe said that "conditions do not allow Japan to immediately dispatch heavily armed military personnel overseas."

Ministry Favors Buffer Zone in Cambodia

OW0502061893 Tokyo KYODO in English 0547 GMT 5 Feb 93

[Text] Tokyo, Feb. 5 KYODO— The Foreign Ministry favors a proposal by the Phnom Penh government to establish a buffer zone between areas it controls and those controlled by the Khmer Rouge guerrillas, a senior ministry official said Friday.

Tadashi Ikeda, director general of the ministry's Asian Affairs Bureau, told the House of Representatives budget committee a buffer zone would reduce the chances of the rival troops encountering each other.

The reduction of such encounters would help ease tensions between the two armies, which have fought recently, he said.

"Such easing of military tension would correspond to the spirit of a ceasefire agreement," he said, in apparent reference to the 1991 Paris peace agreement among the nation's four rival armed factions.

The proposed buffer zone is "worth being considered," he said.

The proposal came from Phnom Penh's Prime Minister Hun Sen in a meeting on February 2 with Yasushi Akashi, head of the United Nations Transitional Authority in Cambodia.

Ministry Checking Cambodian Timber Exporters

OW0502130493 Tokyo KYODO in English 1256 GMT 5 Feb 93

[Text] Tokyo, Feb. 5 KYODO—The Ministry of International Trade and Industry has begun checking exporters of Cambodian timber to Japan and the ships carrying it in cooperation with a U.N. ban on the trade, ministry officials said Friday.

The United Nations banned the export of Cambodian timber in January to stamp out income sources of the Khmer Rouge guerrilla group.

The ministry will gather such information mainly through the U.N. Transitional Authority in Cambodia (UNTAC).

The officials said that when Cambodian timber exporters and importers are found, the ministry would issue a warning by reminding them that such shipments to Japan require official approval.

MITI designated Cambodian timber January 8 as an item requiring import approval.

UNTAC investigations show that 26 percent of Cambodian timber exports, still under way despite the ban, are bound for Japan.

Mozambique President Asks for Peacekeepers

OW0502042393 Tokyo KYODO in English 0337 GMT 5 Feb 93

[Text] Maputo, Feb. 5 KYODO—President Joaquim Chissano called on Japan to send peacekeepers to Mozambique to participate in the United Nations' planned mission in the civil war-torn South African country, Japanese officials said Friday.

In a meeting with Japan's Parliamentary Vice Foreign Minister Koji Kakizawa on Thursday [4 Feb], Chissano was quoted as saying Mozambique appreciates Japan's participation in the U.N. mission.

He also reportedly said it is Mozambique's honor that Japan has chosen the country as its first nation outside of Asia to send peacekeepers for participation in U.N. missions.

Chissano appeared to have been misinformed that Japan had already decided to participate in the planned peacekeeping mission in Mozambique, the officials said.

The Mozambique Government apparently misunderstood foreign news agency reports that said Japan is studying the possibility of sending personnel to the country, the officials said.

In the wake of a U.N. Security Council resolution adopted last December, the world body is expected to send requests to member states in March for support of the envisaged 7,000 to 8,000-member peacekeeping operations.

Kakizawa, who has been on a tour of five African countries since January 28, also conferred with officials of the Mozambique National Resistance (RENAMO), a former rebel group.

RENAMO officials also expressed high hopes for Japan's participation in the U.N. peacekeeping mission, the Japanese officials said.

A cease-fire accord reached last October ended a 16-year-long civil war in Mozambique, which began shortly after the country gained independence in 1975. The war is said to have caused some 600,000 to one million deaths and created millions more refugees.

Meanwhile, Tokyo plans to extend additional large-scale food aid to Mozambique, according to Japanese Foreign Ministry sources traveling with Kakizawa.

While declining to specify the amount of aid, the sources said the Japanese Government will make a formal decision in March.

Japan extended assistance worth some 5 billion yen to Mozambique in fiscal 1992. It also recently decided to supply the country with food aid worth 1.03 million dollars.

In a related move, a senior government official in Tokyo indicated that Japan would wait until Self-Defense Forces (SDF) troops in Cambodia complete their mission following elections in May before dispatching peacekeepers to a second destination.

Mozambique appears to meet the ceasefire and other conditions required for Japan to join U.N. peacekeeping operations, the official said, speaking on condition of anonymity.

It is reasonable to wait for the results of Japan's peacekeeping cooperation in Cambodia before dispatching peacekeepers to another country, he said.

Japan passed a law in June 1992 allowing SDF personnel to join U.N. peacekeeping operations, and last September ground troops went to Cambodia on their first ever overseas mission since Japan's defeat in World War II.

Philippines Foreign Minister Promotes Trade

HK0502070793 Manila THE MANILA CHRONICLE in English 5 Feb 93 p 3

[Report by Johanna Son]

[Text] Foreign Secretary Roberto Romulo yesterday made a forceful pitch for the Philippines in Japan, saying

Manila's economic achievements under the Ramos government actually "outpaced" perception outside the country and could bear fruit in as little as five years.

Addressing the Foreign Correspondents Club of Japan, Romulo cited a string of statistics to show that the Philippine performance was actually better than Latin American nations "at a similar stage of development."

"The Philippines continues to be perceived as a nation floundering in the wake of its neighbors' rapid economic advance," Romulo conceded.

"It is still often seen as a country beset by coup attempts, tottering on the brink of political chaos, ravaged by crime and disorder, burdened by an oppressive debt, dragged down by anachronistic economic policies," he added.

"That," Romulo argued, "may be true in the past. It is no longer true."

"In the matter of the Philippines' economic performance, actual achievement has outpaced external perception," he explained, adding that he was confident a turnaround was possible "not in the long-term future but in the next five years."

Earlier, Romulo and Finance Secretary Ramon del Rosario met with officials led by Japanese Foreign Minister Michio Watanabe and Finance Minister Yoshiro Hayashi and discussed the still-pending 18th yen loan.

A DFA [Department of Foreign Affairs] statement quoted Japanese officials as expressing a "policy of support for the Philippines' nation-building efforts." Japan is the Philippines' largest aid donor.

Inflation slid from 20% in June 1992 to 8.2% at end-1992, and should fall to 7.5% in 1993, Romulo reported. The country's gross international reserves reached $5 billion in 1992 while its fiscal deficit felt to 2.7% of GNP.

Significantly, Romulo said the Philippine debt-service payments were falling. In 1986, 36 cents for every dollar earned from exports went to debt service; this fell to less than 20 cents in 1992.

While the Philippines' 3.2% GDP growth from 1987 to 1992 fell behind Thailand and Malaysia's, it still "surpasses that of such countries as Argentina, Mexico and Brazil."

Manila's export growth and debt service-to-exports ratio compares favorably with Brazil, Argentina and Mexico, Romulo pointed out.

The Philippine inflation rate from 1987-1992 was higher than its two neighbors, but lower than that of Chile, Hungary, Turkey and "miniscule" compared with Brazil's and Argentina's triple-digit rates.

Romulo attributed these improvements to President Ramos' "management presidency," complemented by teamwork in the Cabinet, support from Congress, peace efforts and industrial peace.

These have made progress possible in reforms such as liberalization, deregulation and privatization, and foreign investment rules that are more liberal than those of Malaysia, Thailand and South Korea.

In five years, the Philippines hopes to have an average GDP growth rate of 6% to 8%, which would in turn raise per capita income from $800 in 1992 to $1,000 in 1998.

"We would then be not only keeping pace with our dynamic neighbors but catching up with them," Romulo explained.

Romulo also:

—Expressed the Philippines' support for Prime Minister Kiichi Miyazawa's proposal for a formal security dialogue in the Asia-Pacific and Japan's participation in it.

—Said the Philippines was "confident" of Japan's endorsement of the Asian Declaration on the South China Sea as a means of ensuring peace in the region.

—Welcomed Miyazawa's statement in the Bangkok policy speech pledging continued investments in Asean, transfer of technology and aid.

—Lauded Japan's commitment to a free and open multilateral trading system.

Romulo and del Rosario also met Mitsuhide Yamaguchi, governor of Japan Export-Import Bank, who pledged to strengthen the bank's assistance in infrastructure, power development and enhancement of private sector activities.

Philippines Supports Regional Security Talks

OW0502062393 Tokyo KYODO in English 0600 GMT 5 Feb 93

[Text] Tokyo, Feb. 5 KYODO—The Philippines supports Prime Minister Kiichi Miyazawa's recent call for a regional dialogue on security issues, Philippine Foreign Secretary Roberto Romulo said Friday.

Foreign Ministry officials said Romulo, who has been on a five-day official visit to Japan since Tuesday, conveyed Philippine President Fidel Ramos' "strong support" for the dialogue in a courtesy call on Miyazawa.

Officials said Miyazawa replied that he looked forward to discussing the issue in greater detail when Ramos visits Japan from March 9 to 13. The state visit was announced earlier Friday.

Miyazawa proposed in Bangkok last month, amid a visit to four southeast Asian countries, that "various ideas should be thrashed out through political and security dialogue" among the countries of the Asia-Pacific region in order to develop a long-term vision of the future peace and security order.

Romulo, in a press conference Thursday, characterized Miyazawa's concept as a "Pacific security forum" and said it is compatible with last year's Association of Southeast Asian Nations (ASEAN) declaration on peaceful settlement of disputes in contested areas of the South China Sea.

Officials said Miyazawa expressed Japan's "deepest sympathy" for the victims of the three eruptions since Tuesday of the Mayon Volcano 330 kilometers south of Manila, which has killed over 50 people and caused extensive damage.

Miyazawa said Japan would provide the Philippines 100,000 dollars in emergency disaster relief funds, as well as relief materials such as sleeping mats and blankets worth another 100,000 dollars. Officials said Romulo expressed appreciation for the aid and took the opportunity to ask for the earliest possible disbursement of Japan's 18th yen loan to the Philippines.

He also urged that Japan, the Philippines' greatest benefactor, increase the grant portion of its assistance.

Officials said Miyazawa made no commitments, saying only that Japan will consider them in the context of how best it can contribute to building the nation of the Philippines.

Since the start of fiscal year 1992 last April, Japan has provided the Philippines with 35 billion yen in loans and 14 billion yen in grants on an exchange-of-notes basis.

Miyazawa regretted bypassing the Philippines during last month's visit to the ASEAN region, but said he was impressed by the high appraisal of Ramos he heard in the countries he visited.

Miyazawa said there was great optimism that the Philippines will make huge strides forward under the leadership of Ramos.

Officials said there was no mention in the talks of the issue of Filipino "comfort women" who were forced to provide sex to frontline Japanese soldiers during World War II.

In talks Wednesday with Romulo, Foreign Minister Michio Watanabe expressed Japan's remorse and said the government is still considering how it can most appropriately manifest that feeling.

PAJ To Keep Oil Spill Equipment in Malaysia

OW0402154493 Tokyo KYODO in English 1500 GMT 4 Feb 93

[Text] Tokyo, Feb. 4 KYODO—The Petroleum Association of Japan (PAJ) said Thursday it is preparing to establish an oil fence and skimmer storage base in Malaysia facing the Strait of Malacca, probably in June. Under present plans, 500 meters of oil fences and two oil skimmers will be kept at the base ready for hiring out in response to requests from shipowners in the event of an oil spill.

The association is yet to make its final choice on the site of the base.

However, Malacca state is likely to be picked if the PAJ joins hands as expected with a company which five major international oil corporations plan to establish later in the month to hire out equipment and materials to combat oil spills, industry sources said.

The PAJ initially planned to keep 3,080 meters of oil fences and four oil skimmers at a base to be established in the compounds of Cosmo Oil Co.'s Yokkaichi refinery in Mie Prefecture in fiscal 1992, association officials said.

However, as a result of an oil spill from one of two tankers that collided near northern Sumatra on January 21, the association decided to keep part of such equipment near the strait, the officials said.

Tokyo Pledges Low-Interest Loan to Mongolia

OW0502074493 Tokyo KYODO in English 0702 GMT 5 Feb 93

[Text] Tokyo, Feb. 5 KYODO—Japan has pledged a low-interest untied loan worth 2.46 billion yen (20 million dollars) to Mongolia to help its economic development and reconstruction, the government said Friday.

The announcement said the yen credit is repayable over a 25-year period, including a seven-year grace period, at an annual interest rate of 1.0 percent.

The fund will be used to import necessary commodities, including oil products to make up for the country's crude oil shortage, the announcement said.

It said the loan is part of a 50 million dollar aid package pledge to Mongolia at a meeting of creditor nations in Tokyo last May 28-29.

LDP Panel Starts Debate on Constitution

OW0502120593 Tokyo KYODO in English 1127 GMT 5 Feb 93

[Text] Tokyo, Feb. 5 KYODO—A ruling Liberal Democratic Party (LDP) committee on the Constitution opened discussion Friday on Japan's Constitution amid heightened U.N. pressure for Japan to reconsider legal limits on overseas military dispatches.

The research commission on the Constitution opened debate after suggestions from U.N. Secretary General Butrus Butrus-Ghali that Japan revise the Constitution to permit it to join in a proposed U.N. rapid-deployment force

Yuko Kurihara, chairman of the commission, said the group wants to identify what aspects of the charter should be targeted for debate by the end of the current parliamentary session in mid-June.

Kurihara told the meeting of executive members that the commission's main goals would be to determine whether wide public debate on the Constitution is necessary and then identify areas for possible amendment.

"We will not start from the premise that the Constitution should be revised," former Defense Agency Chief Kurihara said, apparently hoping to alleviate concerns that the commission's sole aim is to revise the Constitution to loosen restrictions on military deployments abroad.

Over the past month a number of prominent LDP parliament members have called for Japan to consider how it can expand its military role in U.N. peacekeeping operations.

Article 9 of Japan's Constitution bars the use of force in resolving international disputes and Japan has so far limited its participation in U.N. peacekeeping operations to tasks that do not call for the use of force.

Kurihara said the commission will call on experts from broad sectors of society to present their views on the Constitution in open hearings.

It is unusual for the LDP to open such hearings to the media.

Commission Vice Chairman Hyosuke Kujiraoka suggested that the group also should consider whether to revise the preamble to further promote international contributions or the section on local government to promote decentralization of power.

Vice Chairman Kichio Inoue called for discussion on a report unveiled by an LDP panel led by former LDP Secretary General Ichiro Ozawa that maintains the current Constitution can be reinterpreted to allow Japan to fully participate in military operations conducted by the United Nations.

LDP Refuses To Summon Takeshita To Testify

OW0502073893 Tokyo KYODO in English 0610 GMT 5 Feb 93

[Text] Tokyo, Feb. 5 KYODO—The ruling Liberal Democratic Party (LDP) on Friday turned down an opposition demand for former Prime Minister Noboru Takeshita to be summoned to testify before the Diet for the third time on his reported role in a money-and-mob scandal.

The decision to reject the demand was announced at a news conference by LDP Secretary General Seiroku Kajiyama in the Diet building.

"The Diet should not subpoena him without showing sufficient reasons," Kajiyama said in response to calls for the summoning of people thought to know the flow of illicit funds and reported ties between gangsters and LDP politicians in the Tokyo Sagawa Kyubin scandal.

Four opposition parties have demanded that Takeshita testify again under oath, saying the former premier comitted perjury when he denied knowing beforehand of a gang leader's halting of a rightist group's smear campaign against him in 1987.

Takeshita appeared before the Diet to testify on his reported role in the scam twice in late 1992, but denied any advance knowledge of the mob's involvement in persuading the rightists to halt the harassment campaign.

Takeshita was vying with two other powerful LDP candidates for the LDP presidency in 1987. Winning the post enabled him to become premier.

The smear campaign was conducted by the Nihon Kominto rightist group, which used loudspeaker vans to blare ironic praise of Takeshita around the area of the Diet building.

Kajiyama said, "if the opposition believes he committed perjury, they have only to file criminal charges with prosecutors."

Earlier in the day, Kajiyama also urged fellow LDP member to exercise prudence in making comments that could be taken as supporting the opposition demand for the summoning of Takeshita.

He told the meeting of LDP executives, "as the summoning issue has reached a sensitive parliamentary stage, I want (LDP legislators) to exercise maximum caution in making remarks."

His remark came the day after a top official of the LDP faction headed by Prime Minister Kiichi Miyazawa urged the summoning of Takeshita as an unsworn witness—a status that would prevent any criminal punishment if his testimony was later proven false.

Parties Fail To Solve Testimony Differences

OW0502142193 Tokyo KYODO in English 1410 GMT 5 Feb 93

[Text] Tokyo, Feb. 5 KYODO—The ruling Liberal Democratic Party (LDP) and the opposition failed Friday to resolve differences over whom should be summoned to the Diet to testify in connection with a money-and-mob scandal, parliamentary sources said.

Opposition party officials said it will be difficult to enter deliberations on the fiscal 1993 budget in the House of Representatives Budget Committee on Monday because of the stalemate.

At a meeting of committee directors, opposition parties demanded six key figures allegedly involved in the Tokyo Sagawa Kyubin scandal, including former Prime Minister Noboru Takeshita, former LDP Secretary General Ichiro Ozawa and former kingpin Shin Kanemaru, testify at the Diet.

The LDP side suggested accepting the summoning of Takeshita, Ozawa and Kanemaru but reserved reply on three others —Masahisa Haibara, former secretary to Kanemaru, Kiyoshi Sagawa, founder of the Sagawa Kyubin trucking group, and Rekiji Kobari, chairman of Fukushima Kotsu bus company.

Earlier in the day, LDP Secretary General Seiroku Kajiyama turned down an opposition demand for Takeshita to be summoned to testify as a sworn witness before the Diet for a third time on his reported role in the scandal.

"The Diet should not subpoena him without showing sufficient reasons," Kajiyama said.

Four opposition parties have demanded Takeshita testify again under oath, saying the former premier committed perjury when he denied knowing beforehand of a gang leader's halting of a rightist group's smear campaign against him in 1987.

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Mori Urges Lowering of Bank Lending Rates

OW0502050193 Tokyo KYODO in English 0245 GMT 5 Feb 93

[Text] Tokyo, Feb. 5 KYODO—International Trade and Industry Minister Yoshiro Mori on Friday called on financial institutions to further lower lending rates.

Mori said at a press conference, "I strongly hope for cuts in financial institutions' lending rates," stressing the need to ease companies' burden of interest payments.

While welcoming Thursday's cut in the official discount rate as a "quite appropriate measure," Mori said he intends to consider other measures to help prop up the economy.

"We must continue to carefully watch economic conditions," he said.

Meanwhile, Mori voiced strong concern over moves by the U.S. auto industry to file a dumping complaint against all imported cars, although he acknowledged it is still uncertain whether they will actually file the complaint.

Asked about a U.S. trade bill to revive the "Super 301" provision allowing for retaliation against unfair foreign trade practices, Mori said, "It is important to resolve U.S.-Japan trade friction coolly and smoothly."

"I hope to settle the issue within the framework of free trade through active negotiations (with the U.S.)," he said.

Hayashi on Stock Market, German Rate Cut

OW0502021893 Tokyo KYODO in English 0155 GMT 5 Feb 93

[Text] Tokyo, Feb. 5 KYODO—Finance Minister Yoshiro Hayashi on Friday weLcomed Germany's cut in its official discount rate, saying he hopes it will contribute to stabilizing the European foreign exchange market.

On Thursday the German Bundesbank reduced the discount rate by 0.25 percentage point to 8.00 percent, while slashing the Lombard emergency funding rate by 0.50 point to 9.00 percent.

Hayashi's remarks came at the regular press conference held after a cabinet meeting.

Hayashi denied any schedules are set for a meeting by finance ministers and central bank governors of the Group of Seven (G-7) leading industrialized nations.

But he said that should it be held, participants will discuss the currency market, global economic conditions and U.S. issues facing the new administration of President Bill Clinton.

Turning to domestic problems, Hayashi said the Tokyo stock market may have already been discounting Japan's official discount rate reduction since prices did not seem to be responding much to the credit ease.

On Thursday, the Bank of Japan trimmed the rate by 0.75 percentage point to 2.50 percent. The new rate is equal to the record low which lasted for more than two years until May 1989.

Hayashi reiterated that he hopes financial institutions will voluntarily agree on a bailout package for financially troubled Nippon Housing Loan Co. as soon as possible. He said the ministry has not presented any blueprint for the scheme.

Business Insists on Job Security 'Priority'

OW0502043893 Tokyo KYODO in English 0411 GMT 5 Feb 93

[Text] Tokyo, Feb. 5 KYODO—Business leaders insisted during their meeting with ruling party executives Friday that job security be given priority over pay hikes this spring in view of the protracted economic slump, officials said.

The officials said the heads of four major economic organizations met with three executive officials of the ruling Liberal Democratic Party (LDP) Friday morning to discuss ways to overcome the economic slump.

Takeshi Nagano, head of the Japan Federation of Employers Associations (Nikkeiren), told the attendants that employers cannot afford a pay raise because they hold a surplus work force exceeding one million.

Nagano added that the top priority should be given to job security, challenging calls by LDP leaders for a substantial pay raise to stimulate domestic demand.

Rokuro Ishikawa, president of the Japan Chamber of Commerce and Industry, expressed similar views, citing an uncertain outlook for the domestic economy.

The LDP leaders told the session there will be no additional reduction of the official discount rate following the 0.75 percentage point cut carried out by the Bank of Japan Thursday.

They also said they will study tax cuts, including an income tax reduction.

Nagano welcomed a tax cut, which he said would help stimulate consumer spending.

The attendants agreed on the need for early enactment of the fiscal 1993 budget, now up for approval by the Diet.

Representing the LDP were party Secretary General Seiroku Kajiyama, Hiroshi Mitsuzuka, chairman of the Policy Affairs Research Council, and Koko Sato, chairman of the Executive Council.

Besides Nagano and Ishikawa, other business leaders present were Gaishi Hiraiwa, chairman of the Federation of Economic Organizations (Keidanren), and Masaru Hayami, head of the Japan Association of Corporate Executives (Keizai Doyukai).

Report: Business Confidence at 33-Year Low

OW0502091993 Tokyo KYODO in English 0857 GMT 5 Feb 93

[Text] Tokyo, Feb. 5 KYODO—With the economy still in the grip of recession, business confidence among Japan's small companies plunged to its worst level in more than 30 years, a governmental bank said Friday.

The Sall Business Finance Corp. said in a report that the "business sentiment index" stood at minus 36.2 in the final quarter of 1992, the lowest since the agency launched the statistic.

The index represents the margin between the percentages of companies feeling their business is going well and those which are downbeat.

The index remained in the minus range for the fourth consecutive quarter since the January-March period last year.

The latest report, covering 4,900 small- and medium-sized firms, found pessimism particularly deep in such industries as ordinary machinery, metal products and textiles, as well as the retail and wholesale businesses.

The indexes for the first and second quarters of 1993 were projected at 33.4 and 20.8, as companies see some bright signs for the economic future, according to the report.

North Korea

O Chin-u Attends Armed Forces Meeting

SK0502124893 Pyongyang KCNA in English 1124 GMT 5 Feb 93

[Text] Pyongyang, February 5 (KCNA)—A meeting of the Ministry of People's Armed Forces was held at the House of Culture here today to mark the lapse of 30 years since the great leader President Kim Il-song set forth the slogan "A match for a hundred."

President Kim Il-song visited frontline post on Mt. Taedo on February 5, 1963 and acquainted himself down to details with the combat preparations of the unit and put forward the militant slogan "A match for a hundred" before the people's army.

Present at the meeting were Marshal O Chin-u, member of the presidium of the Political Bureau of the Central Committee of the Workers' Party of Korea vice-chairman of the National Defence Comission of the DPRK, member of the party Central Military Commission and minister of People's Armed Forces; generals and soldiers of the Korean People's Army.

Vice Marshal of the Korean People's Army Kim Kwang-chin said in his report that the revolutionary slogan "A match for a hundred" set out for the People's Army by the great leader was a historical event which marked an occasion of fundamental turn in strengthening the revolutionary armed force in every way and providing a reliable military guarantee for the revolutionary cause of chuche.

He quoted the great leader Comrade Kim Il-song as saying:

"From olden times a strong man who distinguished himself in battle has been called a 'match for hundred,' which means that one man can beat a hundred foe. If we do our training better and strengthen our defences it is possible for us to become a 'match for a hundred.'"

The reporter said that the People's Army under the wise leadership of the great leader Comrade Kim Il-song and Comrade Kim Chong-il, supreme commander of the Korean People's Army, has thoroughly acquired traits as the Army of the leader, the Army of the party and staunchly defended the party and the leader by arms, holding high the slogan "a match for a hundred" over the past 30 years.

He said all the officers and men are burning with the resolve to fight with their lives for the great leader Comrade Kim Il-song and respected comrade supreme commander, and are ready to go through thick and thin unhesitatingly upon orders from the supreme commander. This is a noble ideological and spiritual trait of the People's Army, he added. As there is such People's Army, our party stands firm and our socialism is advancing without any wavering in the present-day grim situation, he stressed.

The reporter said "our people's army is proudly exalting the mettle of "a match-for-a-hundred" army in the socialist construction, too, deeply conscious of its noble duty not only as the defender of the socialist motherland but also as a creator of happiness of the people."

"All the officials and soldiers should devote their body and soul to defend as firm as a rock the sky, land and sea posts of the country from the ceaseless provocations of the enemy and consolidate and develop our socialism with the firm conviction of certain victory that the socialist cause of chuche is invincible and revolutionary optimism," he stressed.

Kim Chong-il Sends Thanks to Party Members

SK0502105393 Pyongyang KCNA in English 1020 GMT 5 Feb 93

[Text] Pyongyang, February 5 (KCNA)—The dear leader Comrade Kim Chong-il sent thanks to party members of the Korean Revolution Museum, the Pyongyang University of Railways and a worker's family of the Taean Heavy Machine Complex.

Eight party members of the Korean revolution museum have kept the historical place in good shape by preserving and managing well the Mansudae historical place of revolution where the statue of the great leader President Kim Il-song stands for over 20 years.

The Pyongyang University of Railways has successfully [word indistinct] the correspondence course of the university in keeping with the characteristics of the field of railways over the last ten odd years, thus training 620 members of the youth mechanized mobile workteam of railway corps as railway engineers.

No Se-yong, a worker of the tool shop of the Taedonggang Electric Appliance factory of the Taean Heavy Machine Complex, volunteered to work in the Anju coal field togther with all his family members.

Youth Group Leader Stresses Party Leadership

SK0502105293 Pyongyang KCNA in English 1012 GMT 5 Feb 93

["Wise Guidance of Worker's Party of Korea Over Korean Youth Movement"—KCNA headline]

[Text] Pyonyang, February 5 (KCNA)—All the victories and successes achieved in the strengthening and development of our youth movement and the noble ideological and moral traits of our young people are a precious fruition of our party's wise leadership, says Kim Tongnyon, vice-chairman of the C.C. [Central Committee], the League of Socialist Working Youth of Korea, in an article contributed to NODONG SINMUN today.

The article quotes the dear leader Comrade Kim Chong-il as saying:

"Our young men and women have waged an arduous yet worthwhile struggle in enthusiastic support of the leadership of the party and the leader. In the course of this, they have rendered immortal service that will be remembered long in the history of our country."

The article continues:

Our party propounded chuche-based ideas of the youth movement to meet the demand of the present times for accomplishing the socialist cause so that the movement could develop into a youth movement of chuche carrying forward the leader's cause.

The idea that the youth movement is in essence a movement to defend and carry forward the revolutionary cause of the leader, the idea concerning the revolutionary traditions of our youth movement, the idea that the principal task of our youth movement is to strengthen political and ideological education among the youth, train them into true revolutionaries and let them play the role of the vanguard and a shock brigade in socialist construction, and other ideas propounded by the party serve as an ideological weapon in making our youth movement serve for the accomplishment of the leader's cause and contribute to the socialist cause of chuche.

Thanks to these chuche-based ideas of the youth movement, our youth movement is advancing dynamically as intended by the party, not wavering in any wind, and demonstrating its might with the passage of time.

Our party wisely guides the young generation to be fully prepared as dependable heirs to the socialist cause and the youth vanguard of the party.

Our party awarded the most noble titles of heirs to the chuche cause, the socialist cause, and dependable youth vanguard of the party to our young people so that they may dedicate all their youthful energy and enthusiasm to the party and the leader, the country and the people.

Our party assigns young people to important posts of socialist construction, gives them strength and courage and leads them to play the role of vanguard and shock brigade in the worthwhile work.

Our party wisely guides the youth organizations to be built as organizations in charge of political and ideological education and vigorous and competent organizations.

The faith and will of our youth is to cast in their lot with the party forever and bring to completion our socialism centred on the popular masses, no matter which way the wind may blow.

Belarusian Communist Party Visitors Interviewed

SK0502062093 Pyongyang KCNA in English 0436 GMT 5 Feb 93

[Text] Pyongyang, February 5 (KCNA)—The members of the Party of Communists of Byelarus headed by co-chairman of its Political Executive Committee Victor Chikin were interviewed by KCNA before leaving for home.

The head of the delegation said that the communists of Belarus would always remember the Workers' Party of Korea and the Korean party members who had established tight bonds with his party and were extending political and moral support to it in a hard time. Through the current Korean visit, we could reaffirm the deep bonds of friendship and cooperation existing between the two parties, he added.

A member of the delegation, A. Lashukevich, co-chairman of the party Political Executive Committee, said:

I think that the secret of all the achievements in Korea lies in that the Workers' Party of Korea has well mobilized the party members, the working people, the young men and women of the new generation to make redoubled efforts, with deep trust in the party's leadership and their own strength and pride in their country.

A member of the delegation Vladimir Semyonov, co-chairman of the party Political Executive Committee, said:

Through the visit to Korea, we could keenly feel the organisational capacity of the Workers' Party of Korea and the united strength of the party and the popular masses.

Noting that the Workers' Party of Korea puts up revolutionary slogans and powerfully rouses the party members and working people to the revolution and the construction, the head of the delegation said:

It is very important for the party of each country to set forth correct slogans suited to the specific conditions of its country and the given period and mobilize the masses.

Revolutionary slogans had begun to disappear in the Soviet Union from several years ago and, finally, the Soviet Union itself broke up.

I have learned well that the secret of all the successes made by the Korean people in socialist construction is the wise leadership of the Workers' Party of Korea.

The Korean people are fully justified in feeling pride in their achievements.

Happiest are the Korean people who live and struggle with Comrade Kim Il-song and Comrade Kim Chong-il as their great leaders.

Foreign Minister Greets Tanzanian Counterpart

SK0502114593 Pyongyang KCNA in English 1125 GMT 5 Feb 93

[Text] Pyongyang, February 5 (KCNA)—Foreign Minister Kim Yong-nam sent a message of greetings to Joseph C. Rwegasira on his appointment as minister of foreign affairs and international cooperation of Tanzania.

The message expressed the belief that the friendly and cooperative relations between the two countries would strengthen and develop in the interest of the two peoples and wished the Tanzanian minister success in his responsible work.

Chongnyon, Japan Social-Democratic Leaders Meet

SK0402053093 Pyongyang KCNA in English 0424 GMT 4 Feb 93

[Text] Tokyo, February 4 (KNS-KCNA)—Yi Chin-kyu, first vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), visited the central headquarters of the Japan Social-Democratic Party in Tokyo on January 28 and met with its chairman Sadao Yamahana.

Yi Chin-kyu conveyed a message of greetings of the great leader Generalissimo Kim Il-song to Chairman Sadao Yamahana.

Sadao Yamahana expressed thanks to the great leader for the warm care and message of greetings on his assumption of chairmanship. He said he would succeed the former chairman in the efforts to develop the friendly and cooperative relations between the Japan Social-Democratic Party and the Workers' Party of Korea.

CILRECO Reunification Group Meets in Paris

SK0402061693 Pyongyang KCNA in English 0444 GMT 4 Feb 93

[Text] Pyongyang, February 4 (KCNA)—An enlarged meeting of the Executive Committee of the International Liaison Committee for Reunification and Peace in Korea (CILRECO) was held in Paris on January 30.

It was attended by honorary chairmen, vice-chairmen and the secretary general of the CILRECO, delegates of the world peace council, and political and public figures from France, Denmark, Luxembourg, Austria, Switzerland, Turkey and other countries.

Francisco Da Costa Gomez, honorary chairman of the CILRECO and ex-president of Portugal, in his opening speech called for checking and frustrating the "Team Spirit" joint military exercises and bringing about a new change in the international solidarity movement for the reunification and peace of Korea this year.

The meeting discussed the first item on the agenda "on measures for checking and frustrating the 'Team Spirit' joint military exercises" of the United States and the South Korean authorities and the second item "on an analysis of the situation on the Korean peninsula and future orientation of the solidarity movement".

Secretary General of the CILRECO Guy Dupre delivered a keynote report which was followed by a supplementary report by ex-Greek general George Pattas, honorary chairman of the CILRECO.

The floor was taken by the head of the delegation of the Workers' Party of Korea, the chairman of the Democratic Intervention of Portugal, the general secretary of the Central Committee of the Movement for Peace and Socialism of Italy, the international secretary of the Central Committee of the Communist Party of the Peoples of Spain, the general secretary of the New Jewel Movement of Grenada, and the chairman of the U.S. Lawyers Committee on Korea and the secretary general of the International Committee of Jurists for Democracy and Human Rights in South Korea who are both vice-chairmen of the CILRECO, and others.

Letters to the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il were adopted at the meeting.

Also adopted were a resolution of the enlarged meeting of the executive committee of the CILRECO, an appeal to governments, parliaments, political parties and social organisations and peoples of all countries and international organisations and the 1993 action programme of the CILRECO.

The meeting decided to set 1993 in which falls the 40th anniversary of the victory of the Korean people in the Fatherland Liberation War as a "year of international solidarity for the withdrawal of the U.S. troops and nuclear weapons from South Korea and for the replacement of the Korean Armistice Agreement by a peace agreement".

Amar Bentoumi, ex-minister of justice of Algeria and secretary general of the International Association of Democratic Lawyers, was elected honorary chairman of the CILRECO and Blasco Hugo Fernandes, chairman of the Democratic Intervention of Portugal, vice-chairman of the CILRECO to fill the vacancies.

Honorary chairman of the CILRECO Willy Burgeon who is chairman of the Vallon district council of Belgium and member of the bureau of the Belgian Socialist Party, said in his closing address that what is most important in the international solidarity movement for this year is to successfully ensure the movement of the "year for international solidarity for the withdrawal of the U.S. troops and nuclear weapons from South Korea and for the replacement of the the Korean Armistice Agreement by a peace agreement." He called for all efforts to implement the decisions adopted at the meeting.

Calls for Objection to Team Spirit

SK0402053493 Pyongyang KCNA in English 0434 GMT 4 Feb 93

[Text] Pyongyang, February 4 (KCNA)—An enlarged meeting of the Executive Committee of the International Liaison Committee for Reunification and Peace in Korea which was held in Paris on January 30, 1993, adopted an appeal to governments, parliaments, political parties, social organisations and peoples of all countries and international organisations.

The United States and the South Korean authorities who have persistently refused a total inspection of the U.S. nuclear bases and nuclear weapons in South Korea took a bellicose measure of resuming the "Team Spirit" joint military exercises, thus causing a grave situation threatening the reunification process which had been developing affirmatively on the Korean peninsula and peace and security in Asia and the rest of the world, the appeal said, vehemently denouncing them for persisting in the "policy of cold war" on the Korean peninsula.

The appeal said:

"To cope with the obtaining situation, the enlarged meeting of the Executive Committee of the International Liaison Committee for reunification and peace in Korea calls upon the world people and the international community to make strenuous efforts:

—to check and frustrate the belligerent moves of the United States and the South Korean authorities who decided to resume the "Team Spirit" joint military exercises, a nuclear war rehearsal, and bring to an end all the aggressive military exercises on the Korean peninsula for good;

—to get all the U.S. nuclear weapons withdrawn from South Korea and realise an overall inspection of them so as to convert the Korean peninsula into a nuclear-free, peace zone;

—to have the Korean armistice agreement of 1953 replaced by a peace agreement, get all the U.S. troops and weapons withdrawn from South Korea and ensure a durable peace on the Korean peninsula so that a favourable atmosphere may be created for an independent and peaceful reunification of Korea;

—to end the United States' interference in the internal affairs of the Korean people and make the South Korean authorities implement the North-South agreement in good faith on the basic principle of national independence;

—to make the countries directly concerned with the Korean question abandon their anachronistic "cold war policy" and contribute to a positive solution of the Korean issue in compliance with the requirements of the present times; and

—to put the proposal for reunification through confederacy into practice.

The enlarged meeting declared 1993 in which falls the 40th anniversary of the victory of the Korean people in the Fatherland Liberation War a "Year of International Solidarity for the Withdrawal of the U.S. Troops and Nuclear Weapons From South Korea and for the Replacement of the Korean Armistice Agreement by a Peace Agreement".

It expressed the expectation that the governments, parliaments, political parties and social organizations of all countries and international organisations and the world people would actively respond to the work for implementing the measures and decisions adopted at the meeting.

U.S.-ROK Joint Military Exercises Reported

'Sources': 3 Feb 'Air War Game' Staged

SK0502105493 Pyongyang KCNA in English 1027 GMT 5 Feb 93

[Text] Pyongyang, February 5 (KCNA)—The U.S. imperialists staged a joint air war game together with the puppets in the skies above Owyon islet, Wonju, Tanyang and Samchok by introducing formations of fighters from overseas bases on February 3, according to military sources.

The exercise involved some 270 warplanes of various types.

On the same day, formations of planes that took off from the carrier "Independence" on the Sea of Japan near the Korean peninsula conducted an exercise to support a naval landing operation in the sky above the sea off Sosan, South Chungchong Province of South Korea.

2 Feb Aerial Activity Alleged

SK0402054093 Pyongyang KCNA in English 0420 GMT 4 Feb 93

[Text] Pyongyang, February 4 (KCNA)—One more war game was staged in the skies above South Korea on February 2 according to an operational scenario of the Pacific Air Force Command of the U.S. imperialist aggression forces, according to military sources.

The exercise involved formations of nuclear-capable F-16 and F-15 fighter-bombers from the Japan proper and Kadena base of Okinawa and scores of fighters of the U.S. Airforce occupying South Korea.

It was aimed at increasing low- and high-altitude bombing capacity against strategic targets of the northern half of Korea.

On the same day, the U.S. Pacific Naval Command conducted a joint surprise attack exercise against the North in the skies above South Korea by mobilizing warplanes of the fleet and the Marines. Mobilized in it were some 250 warplanes of various types including fighter planes of the South Korean puppet air force.

These provocative war moves timing to coincide with the full-scale preparations of the U.S. imperialists and the South Korean puppets for the "Team Spirit 93" joint military manoeuvres clearly show their bellicose and aggressive nature.

28 Jan 'Air War Exercise' Held

SK3001050093 Pyongyang KCNA in English 0429 GMT 30 Jan 93

[Text] Pyongyang, January 30 (KCNA)—The U.S. imperialist aggressors on January 28 mobilized more than 300 warplanes of different types of the U.S. air force based in Japan, the Pacific and South Korea and of the puppet airforce in a provocative air war exercise against the North in the skies above Muju, Umsong, Pyongchang and Hoengsong, according to military sources.

This war game was aimed at improving coordinated air command of fighter planes from the U.S. Pacific bases and aircraft carriers and flying groups of the the U.S. Air Force in South Korea and the puppet air force and at increasing the capabilities of joint strike by planes of different types in case of "emergency."

Meanwhile, the U.S. imperialists committed espionage on the northern half of Korea on more than 210 occasions in January alone by concentrically mobilizing [word indistinct] and tactical reconnaissance planes and AWACS.

NODONG SINMUN Comments on U.S.-ROK Exercise

Team Spirit 'Treacherous'

SK0202105193 Pyongyang KCNA in English 1006 GMT 2 Feb 93

["No Ground for Resuming 'Team Spirit'"—KCNA headline]

[Text] Pyongyang, February 2 (KCNA)—The United States and the South Korean authorities are blaming the "delay of nuclear inspection" on the North and going to resume the "Team Spirit" joint military maneuvers on that pretext, NODONG SINMUN today notes, adding: This reminds one of a thief crying "Stop thief!"

The paper says in a signed article:

At a time when the North and the South are committed to nonaggression and denuclearization through an agreement and a joint declaration, the United States and the South Korean authorities have decided to resume the anti-North nuclear strike exercises "Team Spirit" which had been suspended before the adoption of the agreement and the joint declaration between the North and the South. This is a treacherous crime challenging the demand and desire of the Korean people and the peace-loving people of the world and denying North-South dialogue and implementation of the agreement.

It is due to the unreasonable acts of the U.S.-backed South Korean authorities that even nuclear inspection rules have not been worked out, let alone North-South nuclear inspection. Suffice it to recall that they made the meeting for the discussion of inspection rules fruitless by unreasonably insisting on the exclusion of U.S. nuclear weapons and bases in South Korea from inspection and eventually avoided the meeting of the Joint Nuclear Control Committee itself.

In view of the international situation, too, it is anachronistic to resume the "Team Spirit."

In the past, the United States turned South Korea into a nuclear base and staged large-scale war exercises such as the "Team Spirit" under the pretext of checking "downward thrust of the Soviet Union." The pretext is outdated now.

For the United States that boasts of being the only superpower and a nuclear power in the world and is far off from the Korean peninsula across an ocean to threaten the DPRK, a small non-nuclear state, and hold war exercises against it is an anachronistic, reckless act violating the idea and demand of the non-proliferation treaty, which bans nuclear threat of a nuclear-weapon state to a non-nuclear state, and ignoring the demand of the times and international justice.

Demands End to Exercise

SK3001054493 Pyongyang KCNA in English 0437 GMT 30 Jan 93

["NODONG SINMUN Urges Vigilance Against Nuclear War Scheme of Bellicose Elements"—KCNA headline]

[Text] Pyongyang, January 30 (KCNA)—If the United States and the South Korean authorities dare force the "Team Spirit" joint military exercises, defying our repeated warnings, they will be held wholly responsible for all the consequences arising from that, warns NODONG SINMUN today.

In an editorial headlined "Let Us Heighten Vigilance Against Nuclear War Scheme of Bellicose Elements," the paper says:

The U.S. imperialists and the South Korean authorities are bringing forward the preposterous pretext of "nuclear suspicion" against the North, while planning to resume the "Team Spirit" joint manoeuvres which have been suspended.

It is they who are presenting nuclear threat from a nuclear base and obstructing an overall nuclear inspection. Yet they have the cheek to cry over fictitious "suspicion of nuclear development" by the North, laying at our door the blame for the "delay of nuclear inspection" and playing with fire to start a nuclear war against the North. This is a high-handed and shameless act of a thief filing the suit first. This is also a criminal act contradicting the idea and fundamental demand of the nuclear non-proliferation treaty, which stipulates that a nuclear-possessing state must not pose a nuclear threat to a non-nuclear state.

No one can vouch that the United States would not light the fuse of a war against the North under the pretext of "checking nuclear development" after massing huge Armed Forces during the "Team Spirit" war game.

The grave situation obtaining on the Korean peninsula makes it incumbent upon our entire people to unite as firm as a rock around the party and the leader and be fully prepared to shatter in time any war provocation move of the U.S. imperialists and the South Korean rulers.

The entire party members and working people, in hearty response to the New Year address of the great leader Comrade Kim Il-song, must fight staunchly with the fighting spirit and mettle displayed by the Korean people in the days of the grim war and confront the reckless new war provocation moves of the U.S. imperialists and the South Korean rulers by further increasing the might of Korean-style socialist system centered on the popular masses.

Our people do not want a war, but never beg for peace.

Should the U.S. imperialists and the South Korean authorities choose to provoke a war of aggression against our republic, our people will rise up courageously and defend the socialist system and the gains of revolution won at the cost of blood like an impregnable fortress.

The U.S. imperialists and the South Korean authorities must not run about recklessly but promptly stop the "Team Spirit" nuclear war gamble, looking squarely at the revolutionary will of our people.

Criticizes U.S. Nuclear Policy

SK3001054293 Pyongyang KCNA in English 0444 GMT 30 Jan 93

["Invariable U.S. Ambition for Nuclear Attack"—KCNA headline]

[Text] Pyongyang, January 30 (KCNA)—The United States must pull its troops and nuclear weapons out of South Korea and, for the present, take a step of cancelling the projected "Team Spirit 93" joint military exercises with the South Korean authorities.

NODONG SINMUN today says this in a by-lined article carried on the lapse of 35 years since the United States made its first shipment of nuclear weapons into South Korea.

When the cold war structure has collapsed and the anti-war, anti-nuke, peace sentiments mounted worldwide the United States and the South Korean authorities craftily made the "Declaration on the Withdrawal of Tactical Nuclear Weapons" and "Declaration on the Absence of Nuclear Weapons" to create the impression that they had cleared South Korea of nuclear weapons, the paper says, and goes on: However, many underground depots of South Korea are still packed with U.S. nuclear weapons, and naval bases in South Korea are frequented by U.S. nuclear submarines loaded with nuclear weapons.

The nuclear threat on the Korean peninsula comes from the South where more than 1,000 pieces of nuclear weapons are heaped, not from the North which has not a single nuclear arms.

The U.S. and South Korean rulers' voluble talk about "suspicion of nuclear development" against the North is nothing but a sophism to justify the U.S. imperialists' policy of turning South Korea into a nuclear base and their moves for a nuclear war and, for the present, to justify their provocative "Team Spirit 93" nuclear war maneuvers against the North.

The U.S. imperialists and the South Korean rulers are now taking the road of further aggravating the situation to light the train of nuclear war. This is a criminal act against the nation, peace and reunification which can never be permitted in view of the reality on the Korean peninsula where the North-South agreement and joint declaration on denuclearization have been adopted and brought into effect.

The United States must renounce its anachronistic "nuclear stick policy," and the South Korean rulers must stop their nuclear arms development and choose to implement the joint declaration on denuclearization in good faith.

Radio Denounces Decision To Resume Team Spirit

SK3001015193 Pyongyang Korean Central Broadcasting Network in Korean 1150 GMT 26 Jan 93

[Commentary by station commentator Yun Pyong-son: "Unchanged Confrontational Attitude"]

[Text] As previously reported, a meeting of the chairmen of the two sides of the North-South Joint Nuclear Control Committee [JNCC] was held in Panmunjom on 25 January. The meeting was the first held in the new year. It was also held amid the acute situation on the Korean peninsula, in which the problem of resuming the Team Spirit joint military exercise has become a fundamental barrier to holding dialogues. Therefore, it attracted the attention of the people at home and abroad. Nevertheless, the meeting ended without achieving any results. This is completely due to the South side's wrong position and attitude toward the meeting.

As everyone knows, in the telephone message sent to the South side on 20 January, our side revealed that if the chairmen of both sides are to hold a meeting, rather than hold discussions on secondary problems such as the schedule of the meeting, the problem of withdrawing the decision to resume the Team Spirit joint military exercise, which is a barrier in continuing the basic meeting, should be presented as part of the basic agenda, and profound discussions on this matter should be held. Our side had also revealed that we will attend the meeting under the condition that this matter be discussed.

Therefore, it would have been correct to discuss this fundamental problem first at the meeting. However, from the beginning, the South side avoided discussing this matter. It made clumsy excuses to free itself from the responsibility for delaying discussions on settling regulations for inspection, and openly babbled that it cannot but resume the Team Spirit joint military exercise this year. This speaks for the authorities' stance to enforce to the end the aggressive Team Spirit joint military exercise. This is the same as an open declaration of confrontation against us.

The North-South dialogue, and especially works of the JNCC, were frozen. Also, what is the fundamental reason for the delay of the North-South inspection? Without further ado, this is because the United States and South Korean authorities decided to resume the Team Spirit joint military exercise this year under the pretext of suspicions of North's nonexistent nuclear development.

As everyone knows, in view of the components of the troops and equipment that are to be committed to the Team Spirit joint military exercise or in view of the content of the training, it is through and through a nuclear attack war exercise aimed at invading the North by carrying out a nuclear preemptive strike.

Therefore, if the South side has the intention of implementing the North-South agreement and the joint declaration on denuclearization, it should take decisive steps to cancel the decision to resume the Team Spirit joint military exercise. Also, in the chairmen's contact of the two sides, this issue should be discussed first.

Nevertheless, the South side is avoiding discussing this fundamental issue and has openly announced that it will resume the Team Spirit joint military exercise. This shows its wicked intention to lead the situation on the Korean peninsula to the brink of war by conducting a nuclear war exercise for sure. We can only belive that they do not intend to denuclearize the Korean peninsula and are trying to change the joint declaration in the stage of implementation into a blank sheet of paper even though they signed the joint declaration on denuclearization driven by our just demand and pressure from public opinion.

If this is not the case, why did the South side avoid holding discussions on the basic issue, and why was the South even bent on opposing setting the date for the next meeting? The South side's wrong position and attitude show that the rascals have no consideration for the North-South agreement and the joint declaration on denuclearization but are only wrapped up in the thought of enforcing the Team Spirit joint military exercise—a test nuclear war exercise and a preliminary war—to destroy fellow countrymen, in collusion with outside forces. This alone reveals that their nuclear threat commotions are strategic maneuvers stemming wholly from their political and military purposes.

The South Korean ruling bunch's antinational and antipeace maneuvers to block the North-South dialogue by enforcing the Team Spirit war exercise and create a nuclear disaster affecting fellow countrymen by further aggravating tension cannot by any means be tolerated.

The South Korean authorities should be correctly aware of the grave consequences arising from the Team Spirit joint military exercise, throw away the unchanged confrontational attitude, and should not run amok indiscriminately.

Peace Group Denounces U.S., ROK Team Spirit

SK3001121293 Pyongyang KCNA in English 1106 GMT 30 Jan 93

[Text] Pyongyang, January 30 (KCNA)—The Korean Anti-Nuke Peace Committee in a statement today denounced the projected "Team Spirit 93" joint military exercises of the U.S. imperialists and the South Korean puppets as an intolerable challenge to the Korean people's peace efforts, as an unpardonable criminal act of going against the fellow countrymen's desire for peace and reunification of the Korean peninsula.

It branded as a nonsense to justify their aggressive criminal acts the South Korean puppets' allegation that they are going to stage the nuclear war exercises because there is no progress in the solution of the "nuclear inspection" problem.

The South side is entirely to blame for the failure to solve the "nuclear inspection" problem in our country smoothly, the statement said, and added:

The South Korean puppets who have not wanted the denuclearization of the Korean peninsula from the very beginning resorted to their heinous moves to obstruct the implementation of the joint declaration on denuclearization, intentionally laying difficulties in the way of the work of the Joint Nuclear Control Committee, because they feared that if a nuclear inspection were made, there would be no ground to keep the more than 1,000 pieces of U.S. nuclear weapons in South Korea and, furthermore, no pretext for the permanent presence of the U.S. Forces there and that the truth behind their own nuclear arms development which has been promoted in top secrecy from long ago would be dragged into the light of day.

The U.S. imperialists and the South Korean puppets are intending to threaten us with nuclear war rackets, but it is a mistake, stressed the statement.

It urged that the United States should not talk only about "the end of the Cold War and "the advent of the era of peace," but should stop aggravating the situation on the Korean peninsula and immediately pull its troops and nuclear weapons out of South Korea.

The South Korean puppets must renounce their flunkeyist, treacherous, anti-national attitude to do harm to the fellow countrymen in league with outside forces, the statement said, warning:

If the U.S. imperialists and the South Korean puppets defiantly resume the aggressive "Team Spirit 93" joint military exercises, they would be unable to evade their responsibility for the frustration of the inter-Korean dialogue and denuclearization.

South Korea

Government, Business Seek Measures Against U.S.

SK0502062593 Seoul KBS-1 Radio Network in Korean 0208 GMT 5 Feb 93

[Text] Regarding recent trade pressure by the United States, the government has decided to hold a meeting with four major economic organizations and representatives of business circles to look for measures to take on trade with the United States.

According to the Ministry of Trade and Industry, the government has decided to hold a meeting chaired by Minister Han Pong-su in the main conference room of the Trade and Industry Ministry on 6 February to look for measures to take on trade with the United States. Four major economic organizations, including the Federation of Korean Industries and the Korea Chamber of Commerce and Industry; business circles including the Iron and Steel Industries Association; and representatives of groups related to exports to the Unites States, including the Korea Institute for Industrial Economics and Technology, will participate in this meeting.

The Ministry of Trade and Industry noted that the trade policy being strengthened by the new U.S. Administration focuses on Japan and other countries, which are recording a surplus in their trade with the United States, rather than on our country. However, the United States is making a series of decisions on imposing dumping charges and is bringing up protection of intellectual property rights, including trademark and patent rights. In order to take a serious look at this, the Trade and Industry Ministry will seek countermeasures at tomorrow's meeting.

Dailies React to U.S. Tariff Decision

SK3001085093

[Editorial Report] ROK vernacular dailies on 29 January carry editorials on the U.S. decision to impose punitive tariffs on ROK steel products.

Seoul CHOSON ILBO carries a 900-word editorial on page 3 entitled "The United States Is Dashing On" on the significance of the U.S. decision to impose dumping charges on ROK steel products. Noting that "the U.S. position has been getting stiffer since the Clinton administration was launched," the editorial anticipates "an inevitable international trade war" and urges the people, business circles, and the government to look for appropriate measures.

Seoul HANGUK ILBO carries a 900-word editorial on page 2 entitled "What Is Our Strategy for Trade With the United States?" on growing U.S. protectionism. While suggesting that ROK business circles join the European Community in filing a complaint with the General Agreement on Tariffs and Trade, the editorial hopes that "the United States, as a world superpower, will continue to promote the tradition of free trade."

Seoul SEOUL SINMUN carries a 900-word editorial on page 3 entitled "We Should Take Strong Measures, Including Filing a Lawsuit, Against the United States' Abuse of Antidumping Duties" on the protectionism that the United States's "has chosen after turning its back on free trade," noting that "from a long-term viewpoint, this will weaken U.S. industries' competitive strength." The editorial urges the United States to control its "imprudent dumping system."

Seoul HANGYORE SINMUN carries a 1,000-word editorial on page 2 entitled "The United States Is Urged To Control Its Trade Offensive" on "unfair" efforts to rehabilitate its economy. The editorial warns that the trade conflict between the ROK and the United States "may aggravate the people's hostility against the United States" and urges the United States "not to break traditional ROK-U.S. relations by adhering to its trade offensive."

Seoul TONG-A ILBO carries a 900-word editorial on page 3 entitled "We Warn of the U.S. Protectionism" on the danger of collapse of the world's trade order that "may take place if Japan and the EC take retaliatory measures against the United States." The editorial urges the United States to control itself, noting that "the stagnation of the U.S. economy was not only caused by its trade deficit," but because it "failed to adapt properly to the changing world economy." It notes that protectionism "will ultimately harm the United States and the world peace."

Seoul CHUNGANG ILBO carries a 900-word editorial on page 3 entitled "What Measure Will Counter the U.S. Offensive on Dumping" on possible "uncontrollable confusion in world trade" from the United States' retaliatory trade policy, stressing that "the United States, which can exert the greatest influence upon the international trade order, must not be the origin of such a tragedy."

Seoul MAEIL KYONGJE SINMUN carries a 900-word editorial on page 3 entitled "Intensified Trade Offensive Against the ROK" analyzing why "the ROK is always in an unadvantageous position in trade negotiations with the United States." The editorial attributes this to ROK companies' exaggeration in reporting the cost of production and the lack of our government's will to achieve fair and just trade." It notes that the United States also has "unfair trade manners" and proposes filing a complaint with GATT against the U.S. "one-sided measure to protect its market."

DPRK UN Envoy Hopes for Improved U.S. Ties

SK0502005793 Seoul YONHAP in English 0009 GMT 5 Feb 93

[Text] Washington, Feb. 4 (YONHAP)—U.S. President Bill Clinton has expressed his hopes of visiting South Korea at an early date, Rep. Pak Se-chik said Thursday. Pak attended the U.S. Congressional prayer breakfast at the Hilton Hotel here Thursday and met with Clinton.

Pak quoted Clinton as telling him that he could not say anything definite now, but he hoped to visit South Korea at the earliest time possible.

Clinton told Pak that he was impressed by the Olympic stadium when he visited Seoul in 1988 and asked Pak to convey his warm greetings to President No Tae-u and President-elect Kim Yong-sam, Pak said. Pak, a representative of the Democratic Liberal Party, was a chairman of the Seoul Olympic Organizing Committee.

At the breakfast prayer meeting, Pak said he also met with the Rev. Billy Graham, who officiated the prayer meeting. Pak said Graham told him he attended a church service in Pyongyang when he had visited North Korea, but he had an impression that the congregation he met there had been mobilized by the government.

North Korean Ambassador to the United Nations Pak Kil-yon, who was also attending the prayer meeting, said Wednesday his country hopes to improve relations with the United States.

In a speech he gave at a Carnegie Foundation meeting, Pak said North Korea expected much from the administration of Bill Clinton. The Clinton administration turned down visa applications by a group of North Korean parliamentarians to visit Washington to attend the prayer meeting.

Pak expressed regret over the decision by South Korea and the United States to hold the joint military exercise "Team Spirit." Pak was also reported to have complained that the International Atomic Energy Agency (IAEA) was trying to inspect military facilities in North Korea.

SRV Foreign Minister Departs 5 Feb

SK0502050093 Seoul YONHAP in English 0451 GMT 5 Feb 93

[Text] Seoul, Feb. 5 (YONHAP)—Vietnamese Foreign Minister Nguyen Manh Cam left Friday after a five-day visit to Seoul for bilateral political and economic talks. Nguyen Manh Cam and South Korean Foreign Minister Yi Sang-ok signed an economic and technical cooperation agreement and pledged to conclude trade, investment guarantee and avoidance of double taxation pacts at an early date.

They also agreed on active exchanges of government leaders, starting with Vietnamese Premier Vo Van Kiet's trip to Seoul in around late May. Seoul and Hanoi normalized ties, severed in 1975, on Dec. 22 last year.

PRC Moves Into Former Taiwan Embassy

SK0502013693 Seoul YONHAP in English 0056 GMT 5 Feb 93

[Text] Seoul, Feb. 5 (YONHAP)—China moved into its embassy in downtown Seoul on Friday after months of renovations to the building, vacated by Taiwan last year. The embassy will open for normal operations on Monday with Zhang Tingyan, the first Chinese ambassador to Seoul, in charge. An official ceremony marking the event is expected later.

Seoul and Beijing normalized relations Aug. 24 last year and Taiwan simultaneously announced it was severing ties with South Korea after Seoul accepted Beijing's "one China policy."

Pro-Taiwan Chinese residents have agreed to lower the Taiwanese national flags flying in front of their elementary school, residents' association and administrative building, all within viewing range of the Chinese Embassy.

Two of the flags were lowered Tuesday in what the residents called "temporary" measures until South Korea and Taiwan work out new relations. The third flag, in front of the elementary school, was already down for the winter vacation.

U.S., DPRK Participation in Taejon Expo Sought

SK3001064993 Seoul YONHAP in English 0549 GMT 30 Jan 93

[Text] Taejon, Jan. 30 (YONHAP)—Prime Minister Hyon Sung-chong instructed government officials Saturday to make every effort to get the United States and North Korea to take part in Taejon Expo '93.

Especially in case of North Korea, Hyon said, there is a possibility Pyongyang will participate in the Expo '93 depending on the development in inter-Korean relations. He told government officials to work out preparatory measures.

Hyon issued the instructions after touring the site of the exposition and listening to O Myong, chairman of the organizing committee, on the progress of preparations. An estimated 10 million people are expected to visit Expo' 93, the largest international event to be held in South Korea since the 1988 Olympic games.

The exposition is scheduled to open for 90 days from Aug. 7 to Nov. 7. More than 41 countries have already notified South Korea that they will take part in the exposition. Eleven countries made verbal commitment while 30 others have said they would study.

Since the exposition is going to be held in an area adjacent to the Taedok science town, mecca of South Korea's scientific research, Hyon said "we have to show our scientific achievements to the world through the exposition."

Following the tour of Expo '93 site, Hyon, led by Science and Technology Minister Kim Chin-hyon, visited the Taedok science town and had lunch with scientists and engineers.

Delegation To Attend Chemical Weapons Committee Session

SK0502081793 Seoul YONHAP in English 0630 GMT 5 Feb 93

[Text] Seoul, Feb. 5 (YONHAP)—South Korea will send a delegation to the first meeting of the Chemical Weapons Convention Preparation Committee (Prepcom), in the Hague on Feb. 8-12, the Foreign Ministry said Friday.

The delegation, composed of working-level officials from the Foreign, Trade and Industry, Defense, and Science and Technology Ministries, will participate in filling leadership posts on Prepcom and the provisional technical secretariat, and in determining the budget and operation rules.

Korea was one of the 132 nations that signed the chemical weapons convention in Paris last month eliminating all chemical arms within 10 years. The convention is expected to take effect from 1995.

Prepcom is to meet five or six times annually until the treaty goes into effect to form the Organization for Prohibition of Chemical Weapons (OPCW).

Seoul hopes to sit on the OPCW Executive Council and input its experts to the technical secretariat by actively taking part in Prepcom activities.

Government Considers Inter-Korean Economic Office

SK0502101393 Seoul KYONGHYANG SINMUN in Korean 5 Feb 93 p 1

[Text] The ROK Government is considering establishing an inter-Korean economic consultation office in order to promote North-South economic exchanges. The office will be in charge of North-South economic information exchange, and investment and trade consultation.

The government is reviewing plans to establish the office in Pyongyang, Seoul, or Panmunjom following discussions with North Korea.

In view of the economic hardship that North Korea is experiencing, it seems highly probable that inter-Korean trade will increase, noted a government official on 4 February. Therefore, he said, the government is planning to establish and operate the inter-Korean economic consultation office so as to completely change the current pattern of indirect trade over to direct trading.

Through direct consultations at this office, the government hopes to facilitate the inter-Korean trading processes of goods needed by both sides and to intensively discuss such issues as the joint development of resources and direct investment.

The government is also planning to actively cooperate with North Korea in their endeavor to break away from isolationism by opening up. For this purpose, the government intends to use the North-South economic consultation office as a place to exchange economic information and to provide North Korea with the domestic and foreign economic information it needs.

The government official said that although North-South economic exchange is now more or less at an impasse with the nuclear issue unresolved, expansion of North-South economic cooperation is very probable as North Korea suffers from economic difficulties and feels the need to improve its relations with the United States and Japan to leave isolationism.

Tokyo Science, Technology Talks Begin

SK0102033393 Seoul YONHAP in English 0054 GMT 1 Feb 93

[Text] Seoul, Feb. 1 (YONHAP)—South Korea and Japan hold the sixth meeting of the science and technology cooperation committee in Tokyo on Tuesday and Wednesday to review progress of 123 joint research projects, Foreign Ministry officials said Monday. The two countries will discuss 61 new projects, including semiconductors, laser science and digitized telecommunications, the officials said.

Seoul plans to ask Tokyo to allow it to participate in the intelligent manufacturing system development project that Japan leads with other countries, and propose that the two sides regularly open technomart to expedite technology transfer and narrow Japan's huge trade surplus with Korea.

Seoul will also ask for immediate exchanges of technology experts and training programs, as agreed at last year's summit, officials said.

Cho Won-il, director-general of the international economic affairs bureau, represents the Seoul side. Takaya Tsuto, deputy director-general for science and technology, leads the Tokyo delegation.

Daily Assesses New DPRK Head of ROK Affairs

SK3001053593 Seoul CHUNGANG ILBO in Korean 26 Jan 93 p 3

[Article by reporter Pak Ui-chun: "Meaning of North Korea's Abrupt Change of Officials in Charge of South Korean Affairs"]

[Text] Yun Ki-pok, who had been in charge of South Korean affairs for the North, has abruptly been replaced by Kim Yong-sun. This change is noteworthy in that it hints at a change in North Korea's policy toward the South.

To first conclude, North Korea's appointment of diplomatic specialist Kim Yong-sun to the post responsible for South Korean affairs is interpreted to be conciliatory gesture for reopening dialogue with South Korea and for improving relations with the United States and is attracting the interest of those who view North-South relations in a progressive light.

It is tantamount to North Korea admitting that it can no longer live isolated from the international community and that, therefore, they need an official who can lead North Korea's opening up.

Furthermore, some people speculate that the removal of Yun Ki-pok, a hard-liner in formulating and implementing North Korea's policy toward South Korea, may result in a breakthrough in North-South relations, which have been at an impasse due to the nuclear issue and the spy ring case, or in the early resumption of North-South dialogue regardless of whether the Team Spirit exercises are held. They reason that the issue of North-South economic cooperation with visits to the North by South Korean businessmen does not depend on the resolution of the Team Spirit or nuclear development issues, but rather on examination of subtle changes behind North Korea's facade.

Indications that North Korea would appoint diplomatic specialist Kim Yong-sun to take charge of South Korean affairs can be found in Kim Il-song's new year address.

In his New Year address, Kim Il-song stressed that to solve the reunification problem, cooperation from concerned countries is necessary. This is unprecedented. We can say that Kim Il-song made this remark with the United States and Japan in mind.

Kim Yong-sun had played a leading role in diplomacy with the United States and Japan. A man familiar with both the United States and Japan, he is now in full charge of North-South relations.

The possibility of Kim Yong-sun's taking full charge of South Korean affairs was indicated in the reshuffle of leading Workers Party of Korea [WPK] officials in December last year at a plenary session of the WPK Central Committee, which took place a day before a Supreme People's Assembly session.

Only two officials, Kim Yong-sun and Kim Tal-hyon, were promoted to the post of candidate members of the Political Bureau. Kim Tal-hyon has been appointed as chairman of the State Planning Commission. As a result, Kim Tal-hyon is now presumably playing a leading role in solving the economic problem by opening up and promoting economic cooperation. Then, it is very likely that Kim Yong-sun may be in charge of handling the North Korean policy toward the South which is based on North-South dialogue.

It is also likely that North Korea's appointment of Kim Yong-sun to take full charge of diplomacy with South Korea and countries concerned results from a change in its perception of South Korea as a target for its subversive activity to a target for diplomatic activity.

In particular, it appears that Kim Yong-sun's appointment to the post in charge of South Korean affairs is also intended to accelerate the realization of a pro-Kim Chong-il system in North Korea, which, like South Korea, is in a period of transition of political power.

In view of North Korea's difficult economic situation, North Korea needs to focus its greatest attention to, above all, the international domain and the domain of work with South Korea. The key persons capable of handling work in these fields are, according to analysts, Kim Chong-il's two right-hand men, Kim Yong-sun and Kim Tal-hyon.

A precedent for the appointment of a core party official in charge of international affairs to handle South Korean affairs can be found in the appointment of Ho Tam, who died in 1991.

In the mid-1980's, Ho Tam replaced hardliner Kim Chung-nin to become chairman of the Committee for the Peaceful Reunification of the Fatherland and supervised all North Korean policies and activities toward South Korea. Meanwhile, Ho Tam paid considerable attention to improving North-South relations and even carried out behind-the-scenes diplomacy with the South. Just as Ho Tam was a diplomatic specialist and a Kim Il-song relative, Kim Yong-sun is also a diplomatic specialist and a relative of Kim Il-song on his mother's side.

There is reason to believe that North Korea appointed diplomatic expert Kim Yong-sun like they appointed Ho Tam to undo deadlocked North-South relations into dialogue.

However, some note that the assignment of both South Korean affairs and diplomatic affairs to Kim Yong-sun is too burdensome.

In this regard, experts in North Korean affairs say: In the past, North Korea carried out diplomacy according to its classification of nations into socialist states, third world countries and capitalist nations. The narrowing of its diplomatic stage following the collapse of socialist states and the withdrawal of its missions from Africa, and its need to attach importance to diplomacy with neighboring countries and South Korea in order to survive may be behind their allocation of so many duties upon Kim Yong-sun.

Why then, is North Korea not making public the fact that they have replaced the secretary in charge of South Korean affairs?

Traditionally, North Korea never publicizes the particular duties of its party secretaries. As many responsible persons for dialogue in South Korea, the United States, and other major countries have been replaced, North Korea may have wanted to reveal Kim Yong-sun as a "treasured weapon" after closely examining his dialogue partners.

Needless to say, some analysts point out that in view of the peculiarities in North Korea's political system, a basic change in its policy toward South Korea can hardly be expected even with the replacement of figures in charge of South Korean affairs.

And it is true that some question why such important duties as diplomacy and South Korean affairs were both allocated to Kim Yong-sun, who completely lacks experience in South Korean affairs and whose party rank is only 15.

At any rate, people are attentive as to how the change in North Korean leadership will affect the present difficulties in North- South relations.

David Brown Appointment Seen as Sign of Trade Emphasis

SK3001055593 Seoul YONHAP in English 0512 GMT 30 Jan 93

[Text] Seoul, Jan. 30 (YONHAP)—The U.S. State Department has officially designated economic veteran David Brown the new Korea section chief, another signal of U.S. emphasis on trade issues in its relationship with South Korea, officials said Saturday. Brown, director of the Office of Global Energy since August 1990, has served in number of Asian posts, including in Indochinese nations.

He was counselor for economic affairs at the American Embassy in Tokyo from 1987 to 1990 and handled major trade policy disputes just before taking on the director post with OGE.

"We believe his appointment as Korea section chief is yet another sign of the importance Washington attaches to trade relations with us," a government official said.

Meanwhile, his predecessor, Charles Kartman, was designated to the American Embassy in Seoul as minister-counselor and deputy chief of mission. Kartman is expected to assume his Seoul post sometime in July.

No Presides Over Economic Ministers Briefing

SK0402030093 Seoul YONHAP in English 0212 GMT 4 Feb 93

[Text] Seoul, Feb. 4 (YONHAP)—President No Tae-u instructed his government Thursday to be ready for all possibilities in rice market opening and for every government aid in solving dumping charges.

He showed concern at what he called unnecessarily inflated talks on economic issues, as if the government were unstable, and asked his economic ministers to carry out their duties to the last day of the administration.

Presiding over a briefing session by 12 economic ministers, No commented that the world trade environment was turning uncertain and unstable as advanced nations resorted to protectionism under the name of fair trade.

"This cannot but be a burden on our economy, which depends heavily on other country's markets," No said. "The government and various sectors need to take joint measures through active cooperation.

"Be prepared for all possibilities by having comprehensive negotiating strategies ready (for rice market opening)," he said.

The government cannot miss the right timing to solve problems once they arise, and it should have detailed and effective solutions ready, he said on U.S. anti-dumping measures against Korean steel and semiconductors.

He favored stability and growth of manufacturing over economic recovery through the service industry and domestic consumption.

No asked for "reasonable" wage hikes in line with increases in competitor countries like Japan, Taiwan and China, and for early settlement of contract talks.

No Tae-u Hosts Lunch for Chon's Ministers

SK0502061993 Seoul THE KOREA TIMES in English 5 Feb 93 p 2

[Text] Yesterday's activities of President No Tae-u included one which probably turned heads.

He had lunch with 44 former Cabinet ministers who served during the Chon Tu-hwan administration.

The participants included former chairmen of the Board of Audit and Inspection Chong Hui-taek and Hwang Yong-si; and erstwhile deputy premier-economic planning ministers Sin Pyong-hyon, Kim Chun- song and Kim Man-che.

Chongwadae had originally sent invitations to 47 of "Chon's men" but three did not attend for "private" reasons. The absentees were ex-defense minister Chu Yong-pok, ex-justice minister Kim Song-ki and ex-home minister Chong Kwan-yong.

Sources said yesterday that Chongwadae had intended to invite Chon's confidants Chang Se-tong, former head of the Agency for National Security Planning and chief of Chon's security force; ex-unification minister Ho Mun-to and former government legislation minister Yi Yang-u. But the plan to invite them was cancelled as they said they would refuse when sounded out.

As speculation about the political significance of the luncheon swelled, a senior presidential secretary tried to discount it, saying, "President No held a number of portfolios during the Fifth Republic. He just wanted to have a get-together with his former Cabinet colleagues."

While Chon was in office, No served as home minister, sports minister and state minister without portfolio.

The lunch function was construed as one of a series of steps taken by No to mend fences with Chon who openly resented the "liquidation of the Fifth Republic's evil legacies" conducted by the No administration.

Sometime next week, No plans to host lunch for Cabinet ministers who served in his government.

DLP Decides Not To Revise National Security Law

SK0502083493 Seoul YONHAP in English 0622 GMT 5 Feb 93

[Text] Seoul, Feb. 5 (YONHAP)—The majority Democratic Liberal Party [DLP] decided Friday not to revise or abolish the controversial National Security Law unless the communist regime in North Korea changes its policy on the South.

Floor leaders of the three major political parties, meanwhile, agreed on the agenda of an extraordinary session of the National Assembly to be convened on Feb. 9.

The assembly will publicly announce convening of the session Saturday, after the three parties officially agree on the agenda and the date.

The floor leaders also decided to hold the session for 20 days and handle a presidential request to approve the appointments of the prime minister and the chairman of the Board of Audit and Inspection hours after the inauguration of Kim Yong-sam as president on Feb. 25. The Kim administration, then, will introduce members of its cabinet to the Assembly Feb. 27.

Over at the Democratic Liberal Party, a meeting of senior party officials, presided over by Executive Chairman Kim Chong-pil, reached a consensus to reject a long-standing opposition demand to scrap the National Security Law, which critics claim has been abused by the authorities to crack down on dissidents.

The DLP said, however, it was willing to negotiate with opposition parties to revise the law concerning the Agency for National Security Planning and the election law in the extraordinary session of the National Assembly.

Following the meeting, Pak Hui-tae, the DLP spokesman, said that the National Security Law had already been revised "very progressively and constructively" by the 13th National Assembly.

Therefore, the DLP would oppose abolition of the national security law and its replacement with a democratic order protection law, as demanded by the Democratic Party, because they are different in spirit and character, Pak said.

"The DLP is prepared to discuss the National Security Law with opposition parties, but it believes further revision or its replacement with another law are out of the question," Pak said.

In a separate development, the United People's Party held a meeting of chairmen and other senior party officials and decided to form a team to investigate an allegation that wheat imported from the United States contained cancer causing chemicals.

Democratic Party Names Kim Tok-kyu Secretary-General

SK0302074993 Seoul YONHAP in English 0648 GMT 3 Feb 93

[Text] Seoul, Feb. 3 (YONHAP)—Rep. Kim Tok-kyu of the Chungnang-B constituency in Seoul was named secretary-general of the major opposition Democratic Party Wednesday.

Kim, a third-term lawmaker, succeeds Rep. Han Kwang-ok, who resigned to run for the post of executive chairman.

DP's Mokpo Chapter Elects Kim Tae-chung's Son

SK0502051093 Seoul YONHAP in English 0249 GMT 5 Feb 93

[Text] Mokpo, South Korea, Feb. 5 (YONHAP)—Kim Hong-il, eldest son of Kim Tae-chung, a former co-leader of the main opposition Democratic Party (DP), was elected chairman of the Mokpo DP district chapter Friday. He replaces Rep. Kwon No-kap, who resigned to seek a seat on the Supreme Council.

Kim, leader of a coalition of young men for his father, Korea's foremost opposition politician who retired after his defeat in the presidential election last year, had been virtually kept from entering politics because of his father's strong objections.

In a chapter reorganization ceremony, Kim said he had decided to devote himself to a political career to help unite forces who try to cure the nation's moral and political crisis and to reflect the political philosophy of his father in real politics.

Independent Joins DLP; Party 4 Short of Majority

SK0502015193 Seoul YONHAP in English 0101 GMT 5 Feb 93

[Text] Seoul, Feb. 5 (YONHAP)—Independent lawmaker Yi Kang-tu joined the Democratic Liberal Party (DLP) Friday, giving the party 163 seats in the National Assembly.

Yi, 56, who represents Kochang, South Kyongsang Province, ran in the 14th general election as a DLP candidate last year but lost the party nomination after being indicted for distributing money to voters. He was elected an independent while in prison and his sentence was later suspended.

The DLP is now only four seats short of the number required to control the standing committees in the 299-member unicameral legislature.

Cha Hwa-sun Joins Party

SK0402030993 Seoul YONHAP in English 0140 GMT 4 Feb 93

[Text] Seoul, Feb. 4 (YONHAP)—Rep. Cha Hwa-chun, an independent, joined the Democratic Liberal Party [DLP] on Thursday.

Cha was elected in Chung-ku, Ulsan, South Kyongsang Province from the United People's Party [UPP] on March 24 last year, but left the UPP before the presidential election on Dec. 18. The DLP now has 162 seats in the National Assembly.

Prosecution Questions Officials in Hyundai Case

SK0502061593 Seoul YONHAP in English 0518 GMT 5 Feb 93

[Text] Seoul, Feb. 5 (YONHAP)—Seven government officials and bank executives suspected of accepting bribes from the Hyundai Heavy Industries Co., accused of funneling huge amounts to the United People's Party from a secret slush fund, were summoned for questioning by the prosecution Friday.

They include Sin Kuk-hwan, administrator of the Industrial Advancement Administration, Kim Hong-kyong, director-general of the Industrial Policy Bureau at the Trade and Industry Ministry, and Yi Hak-song, executive managing director of the Export and Import Bank.

The prosecution will arrest them if it finds evidence they took bribes, a senior prosecutor at the Seoul district prosecutor's office said.

The prosecutor, speaking on condition of anonymity, said Sin was all but confirmed to have received 5 million won (6,400 U.S. dollars) from Chang Pyong-su, an executive director of the company who is now under arrest, and that Kim and another director-general-level ministry official had received 3 million won (3,800 dollars) and 2 million won (2,550 dollars), respectively.

Yi is suspected of having received 3 million won, while three others got 5 million won from Hyundai. The prosecution is also investigating reporters in the ministry press pool, suspected of receiving 5 million won in bribes.

Meanwhile, the prosecution returned two bank books containing deposits of 25 billion won (31.88 million dollars) that it had confiscated from Hyundai, enabling the company to withdraw the money Friday. Hyundai has asked the prosecution to return the remaining 84 bank books listing deposits of 100 billion won.

Communications Market Talks With U.S. Open

SK0502061893 Seoul YONHAP in English 0317 GMT 5 Feb 93

[Text] Washington, Feb. 4 (YONHAP)—South Korea and the United States opened talks here Thursday that will cover Korea's opening of its communications market and its second mobile telephone project, a Korean source said Thursday. The two-day talks are led by Yi Chong-sun, chief of the Korean Communication Ministry's overseas communication team, and Nancy Adams, deputy assistant [U.S.] trade representative (USTR).

They checked how much the memorandum of understanding on Korea's opening of communication market, inked during last Feburary's talks, had been carried out and discussed broad issues of mutual interest, including standardization of communications equipment.

The U.S. side urged opening of the mobile communications market, to which Seoul said it was too early to discuss the matter because Korea has yet to award the license for the second mobile telephone project, the source said.

Finance Ministry To Allow Investment in Overseas Portfolios

SK0502073093 Seoul THE KOREA TIMES in English 5 Feb 93 p 10

[Text] Each of the three Seoul-based investment trust companies (ITCs)—Korea, Daehan and Citizens—will be permitted to set up a 50 million dollar fund for a total of 150 million dollars from April to enable local industrial firms and individual investors to make indirect overseas portfolio investments, the Ministry of Finance [MOF] announced.

The MOF also permitted short-term finance companies and pension funds to make overseas investments in bonds and equities. Currently, only insurance, securities firms and ITCs are able to make portfolio investments in foreign capital markets. It said each of these institutional investors can invest up to 100 million dollars.

The MOF said it will soon revise the current foreign exchange rule to make both individual and institutional investors eligible for foreign portfolio investments.

The latest MOF action is aimed at offsetting the inflow of foreign capital, which has put undue pressure on appreciating the won and pressure on the central bank's effective monetary policy.

The MOF estimates that about 2,500 million dollars in fresh foreign capital will flow into Korea this year. Such inflow has unduly appreciated the value of the won and caused problems for the central bank in conducting an effective monetary policy.

The ITCs will create the funds, sell beneficiary certificates to Korean individuals and industrial firms, invest the proceeds in foreign bonds and shares, and return gains to holders of the beneficiary certificates.

The MOF said ITCs will be able to use part of the funds to buy Korean stocks although the funds will be aimed at investing foreign bonds and equities.

After permitting individual investors and industrial firms to make an "indirect investment in foreign portfolios," the MOF will allow them later to make "direct" investments without routing their money through the ITCs.

Despite the MOF's initiatives, many analysts wonder whether individual investors and industrial firms will show enthusiasm about investing in overseas portfolios.

At this stage, Korea's interest rates are higher than foreign rates, and Korean shares generate a higher return than foreign shares. Even though institutional investors are permitted to make overseas portfolio investments of up to 100 million dollars per firm, they have not fully exhausted the government-set ceiling.

A Lucky Securities official said, "It is a warming-up process for Korea's full internationalization drive for the capital market."

Furthermore, Korean ITCs and securities firms have a limited number of international-minded professionals who can properly manage individual investors' money.

Government To Accelerate Public Works Projects

SK0502075293 Seoul THE KOREA TIMES in English 5 Feb 93 p 1

[Text] The government plans to start public work projects earlier than initially scheduled as part of measures aimed at boosting the sagging economy. About 60 percent of this year's budget will be used during the first half of this year on various housing and construction projects.

The government will also take steps to streamline the supply of facility funds and cut red tape hindering corporate investment.

Deputy Prime Minister Choe Kak-kyu reported these and other major economic tasks in a meeting presided over by President No Tae-u at Chongwadae yesterday. The meeting was attended by all 12 economic ministers.

Choe reported that the government will continue to cling to its stabilization policies and the new administration will have to follow suit in order not to undermine the economic stability built up over the past two years.

"This year's policy highlight should be placed on putting the brake to steep wage increases," said Choe, who also serves as an economic planning minister.

Specifically, the government will make efforts to hold down this year's nominal wage increases to single digits while persuading high wage earners to accept salary increases of below three percent, he reported.

Noting that economic indicators point to mild increases, Choe forecast that economic recovery will be in sight beginning the second half of this year.

To help boost corporate investment for plants and equipment, Choe said, the government is making an evaluation of industry-by-industry competitive power.

As soon as the evaluation results are compiled, the government will take steps to boost the competitiveness of industries, he said.

To maintain harmonious economic ties with the United States, Choe reported that the government will step up its crackdown on infringements of intellectual property rights and map out steps designed to attract more foreign capital by simplifying foreign investment rules and the aquisition of land by foreigners.

The government will also work hard to settle trade disputes with the U.S., Choe said.

He said the government will take steps to turn the latest cut in regulated interest rates into reductions in market-driven interest rates. The second phase of interest rate deregulation will be implemented at the earliest possible date to rectify distorted market conditions, Choe said.

Fund Supports Overseas Securities Investors

SK0402030393 Seoul YONHAP in English 0138 GMT 4 Feb 93

[Text] Seoul, Feb. 4 (YONHAP)—South Korea is to create new categories of institutional investors, set up exclusive funds and expand overseas offices of securities firms to boost securities investment abroad, the Finance Ministry said Thursday.

Because more foreign funds than expected have flowed into the Korean stock market this year, it became necessary to improve the ability of institutional investors to invest abroad, a ministry spokesman said.

Short-term financing companies and pension funds would be added to the list of institutional investors, currently securities firms, investment trust companies and insurance companies, he said.

As of July 1992, overseas investment in securities by institutional investors totaled 251.7 million U.S. dollars—securities firms had 166.4 million dollars, investment trust companies, 41.2 million dollars, and insurance companies, 44.1 million dollars.

Japan Discusses Cooperation in Shipbuilding, Economics

SK0402074493 Seoul YONHAP in English 0627 GMT 4 Feb 93

[Text] Seoul, Feb. 4 (YONHAP)—Officials of South Korea and Japan discussed cooperation in the shipbuilding industry at the Trade and Industry Ministry in Seoul Thursday.

They exchanged views on expansion of shipbuilding capability by China and other countries, cooperation among countries to boost the industry, and their positions on multilateral shipbuilding negotiations in the organization for economic cooperation and development.

Working-level officials of the two countries meet twice annually, alternating in Seoul and Tokyo.

Bank of Korea Says Bankruptcies Up

SK0402092693 Seoul YONHAP in English 0823 GMT 4 Feb 93

[Text] Seoul, Feb. 4 (YONHAP)—Bankruptcies surged 74.8 percent last year, with a record 30 companies a day going under, the Bank of Korea said Thursday. The steep surge was attributed to sluggish exports and the government's stabilization-oriented economic policy. It said 10,769 companies went bankrupt, compared with 6,159 a year earlier. In December alone, 1,087 companies went out of business. Their unpaid bills reached 7,039.9 billion won (8.84 billion U.S. dollars), up 88.2 percent from 3,740.5 billion won, the central bank said.

It said 0.12 percent of bills were dishonored, the highest rate since the last time it was 0.12 percent in 1982. The rate was around 0.04 percent in 1988-90, but surged to 0.06 percent in 1991.

December Statistics Indicate 'Signs' of Recovery

SK0502030893 Seoul YONHAP in English 0223 GMT 5 Feb 93

[Text] Seoul, Feb. 5 (YONHAP)—Signs of an economic recovery were registered in December, with industrial output and warehouse releases up and inventory growth slowing, the National Statistical Office (NSO) said Friday.

Industrial output was unchanged from a year earlier, recovering from a 1.4-percent drop in November, and warehouse releases rose 3.2 percent in December, compared with 0.7 percent in November.

Goods in stock, which had kept growing at double-digit rates due to poor sales, declined 1.8 percent over the previous month.

Factories were operating at 73.4 percent of capacity in December, up 0.6 percentage point from a month earlier, according to the NSO.

Construction permits soared 140.3 percent by area from the like month in 1991 owing to loosened state control on residential and commercial buildings.

Construction permits for industrial facilities halted a seven- month slide and grew 15.7 percent in December.

Machinery import permits and warehouse releases for domestic consumption constricted 19.7 percent and 11.2 percent, respectively, but domestic machinery orders climbed 27.2 percent with orders from the private manufacturing sector advancing 4.6 percent, the first increase in six months.

Combined wholesale and retail sales gained 4.6 percent in December, compared with 3.7 percent in November, and delivery of consumption goods for domestic use took its first upward turn in six months with 4.1 percent.

The leading index, a barometer of business conditions in two to three months, rose 1.8 percent in December, over 1 percent for the third stright month, and the coincidental index rose 0.6 percent.

The unemployment rate curved up 0.2 points to 2.5 percent from a year earlier, with employment in the manufacturing and farming sectors decreasing and in the service industry increasing.

Industrial production in the final quarter of 1992 registered zero growth from the same period of 1991, the lowest quarterly level since 1980. The yearly production hike remained at 5 percent last year, a three-year low.

Economic growth is estimated at the 2-percent level in the fourth quarter last year, off from low growth of 3.1 percent a quarter earlier for an annual growth of 4 percent.

Warehouse releases and inventories edged up 6.7 percent and 4.3 percent for the whole of last year, with the factory operating rate stopping at 78 percent, the lowest growth in three years.

The NSO said the economy showed a slight recovery in various economic indicators such as production, consumption and investment, predicting that the industrial output would decline in January due to the large number of public holidays.

Government steps to ease construction regulations, encourage equipment investment and cut interest rates will help the economy a little, it said, but the export slump will be the linchpin.

The Economic Planning Board has said that the economy will recover gradually in the first half this year, although a strong recovery was unlikely in the first quarter.

Burma

SLORC Head Receives Credentials of ROK Envoy

BK0402134893 Rangoon Radio Burma in Burmese 1330 GMT 4 Feb 93

[Text] At 0930 today at the Defense Ministry's Dagon House, General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC] of the Union of Myanmar [Burma], accepted the credentials of the newly accredited ambassador extraordinary and plenipotentiary of the Republic of Korea to Myanmar, Mr. (Jung Hwan Kim).

Present at the occasion were Major General Khin Nyunt, secretary-1 of SLORC; U Ohn Gyaw, minister for foreign affairs; and Thura U Aung Htet, director general of the Protocol Department of the Ministry of Foreign Affairs;

SLORC Said Selling Resources To Finance Army

BK0202140193 Bangkok THE NATION in English 1 Feb 93 pp C1, C2

[Article by Dhira O: "Relying on Resources"; first installment of two-part series under the rubric "Focus on Environment: Indochina"—"how Burma is luring foreign investment to finance its ongoing oppression by offering to sell the country's natural resources, particularly its oil potential, to the highest bidder."]

[Text] In its struggle for control of Burma, the State Law and Order Restoration Council (SLORC) is banking on the exploitation of natural resources both to jump start the country's faltering economy, and to finance the military battles it currently is waging throughout the country.

Since the 1988 coup that installed SLORC, and the subsequent withdrawal of foreign aid by most countries, the Burma Action Group claims SLORC "began to sell Burma's natural resources like fast food," to raise much-needed foreign exchange. A main item on this menu is the sale of Burma's oil and gas reserves.

With the critical assistance of multinational oil corporations, SLORC plans to significantly expand oil production over the next several years to support its economic development and generate the foreign currency needed to purchase weapons.

According to foreign estimates, between 70 per cent and 90 per cent of the profits from oil and gas development will go directly to the military regime. The Burma Rights Movement for Action (BURMA), an opposition group based in Bangkok, estimates oil exploration contracts have accounted for "65 per cent of SLORC's foreign investment" since 1988.

"These foreign investments directly support the illegitimate military junta of Burma," asserts [illegible]chele Bohana, director of the Institute for Asian Democracy. "The government is bankrupt. They have to get foreign exchange to survive."

Furthermore, with the presence of multinational corporations such as Amoco, Unocal, Texaco, Royal Dutch Shell, Petro-Canada and Idemitsu, the regime hopes to create the legitimacy it currently lacks in world opinion. If profits ever begin flowing to multinational oil companies, the Burmese regime hopes to build a vocal and powerful lobby to fend off international economic sanctions.

Stephen Cohen, the US deputy assistant secretary of state for human rights during the Carter Administration, noted in a recent NEW YORK TIMES essay that "in 1988, after the massacre of thousands of pro-democracy demonstrators, US$500 million a year in foreign aid to Burma was suspended and the government was nearly bankrupt. With no cash to buy weapons, the army was literally running out of bullets."

In response to these cuts, SLORC promised free elections in 1990 and planned a new economic strategy to lure previously excluded foreign investment.

In the 1990 elections, the National League for Democracy led by 1991 Nobel Peace Prize winner Aung San Suu Kyi won an overwhelming 81 per cent of the popular vote. SLORC received 2 per cent of the parliamentary seats in the election. SLORC, however, responded to the democratic process by annulling the election and imprisoning the victors, including Aung San Suu Kyi who remains under house arrest in Rangoon.

What SLORC could not accomplish through democratic means, it since has worked to achieve through the military. Military expenditures currently account for about 60 per cent of the government budget, according to Julian Mellor of Greenleaf, an NGO publication. Arms purchases in 1991 amounted to about US$1.4 billion. The military has grown by more than 50 per cent since SLORC took power, from 190,000 to about 300,000 troops.

After the crackdown in 1988 and the annulment of the elections in 1990, most countries ended military and economic aid to Burma. However, a small group of donors, including the International Development Association (IDA) of the World Bank, the Asian Development Bank (ADB), the United Nations Development Programme and the Japanese Government, reactivated their aid to SLORC. These organizations along with multinational business leaders argue that investing in Burma will speed development and also will eventually benefit political liberalization.

Most governments around the world, as well as the human rights groups Amnesty International and Asia Watch, condemn the regime, and the repressive human-rights conditions that are regularly reported within the country. The Lawyers Committee for Human Rights reports that Burma's citizens are "subject to unlawful arrest, detention without trial and torture for exercising their rights to expression and association," and recently have been "forced to serve as porters for the Burmese Army, where they are used as human mine detectors."

In response to these conditions, a number of countries have proposed a UN embargo and other economic sanctions to force the regime to honour basic human rights accords, as well as the results of the 1990 elections.

However, while many countries such as the United States and Canada officially oppose the actions of SLORC, they concurrently support the regime by allowing multinational corporations to operate and invest in the country, directly financing the military regime. The most glaring examples of this contradiction are the multinational oil companies based in the United States, Canada, England, Japan and Australia, which have directly invested more than US$400 million in Burma since 1989, buoying the financially strapped regime.

The ASSOCIATED PRESS reported that "foreign investment brought at least a billion dollars into the impoverished state" in 1990 alone.

"With the stampede of foreign business, foreign currency reserves rose from less than US$12 million in 1988 to US$900 million in 1991," Cohen says. "Burma is using this hard currency to expand and modernize its army rather than to benefit the people."

SLORC apparently has decided exploitation of natural resources is the best means of development for the country. Current SLORC practices regarding sales of timber, minerals, fishing rights and oil concessions indicate sales of these resources are the primary strategy for raising funds.

At the beginning of SLORC's regime, Burma was said to have had 80 per cent of the world's remaining teak forests. During the last three years, however, Thai timber companies have received expansive concessions from SLORC for clear-cutting teak and other hardwoods. In 1990, the UN estimated 1.2 million acres of tree cover were disappearing every year in Burma due to clear-cutting practices. The World Watch Institute estimates forest cutting at more than 2 million acres (3.3 per cent of total forest cover) per year.

Burma also possesses large mineral resources including tin, tungsten, copper, lead and zinc, as well as precious stones such as jade, rubies and sapphires. SLORC has been selling the rights to mine these gems throughout Burma. INSIGHT INDOCHINA reported in 1991 that SLORC had set a goal of producing 49,200 troy ounces of gold in 1992, a 1,130 per cent increase over 1990-1991's production of 4,000 ounces.

One of Burma's most famous resources is opium, which is converted into heroin for sale on the international market. A number of groups have alleged that SLORC leaders are profiting from the illicit heroin trade, with some funds going directly to weapons purchases.

Referring to SLORC's recent arms deal with China, David Todd reported in the OTTAWA CITIZEN that, "Western intelligence agencies say the arms are being paid for in part with the proceeds from heroin and opium trafficking in which Myanmar [Burma] military authorities are deeply involved."

However, by far the potentially most valuable resources in Burma are oil and gas, with a projected value several times the combined value of all other minerals. Because of a lack of foreign exchange, Burma has over the years had a policy restricting the import of oil, thus creating a serious shortage throughout the country. Oil development, therefore, is meant to alleviate the energy shortages throughout the country, as well as raise foreign currency.

While it is clear oil exploration benefits SLORC financially, human-rights groups argue the development also has direct impacts on the people of Burma.

"Recent reports from inside Burma indicate that human-rights violations are being perpetrated by the SLORC army in association with the oil companies' planned and actual activities," Green November 32 [a Bangkok-based environmental and human rights organization] notes. "Genocidal offensives are being carried out as part of the junta's efforts to clear potential oil-bearing areas of their indigenous inhabitants in order to sell new concessions. Tens of thousands of Burmese people are being forced to labour on roads for less than subsistence wages for the benefit of the oil multinationals and the junta."

Unconfirmed reports continue to surface regarding SLORC offensives in oil-bearing regions such as the Hukwang Valley, the Arakan state and in the Kyaikdaung District along the Thai-Burmese border.

Because there are a number of battles waging on different fronts throughout Burma, there is also some conjecture about the areas that SLORC is fighting hardest to control.

"SLORC troops have been particularly active in oil-concession areas, and have launched heavy offensives in areas where concessions have been offered but not sold, such as the Kachin and Arakan states," Green November 32 reports. "There have been very serious human-rights abuses perpetrated on local populations in association with these attempts to control the potential oil-bearing zones."

Pro-democracy groups claim that, although many Western governments are willing to condemn the Burmese regime with words, they are not willing to condemn the business cooperation that is vital to the continuation of the military dictatorship. These groups argue ending oil exploration and development in Burma by multinational corporations could be the most effective means of forcing the regime to acknowledge the 1990 elections, thus bringing human rights and democracy back to Burma.

A similar ban on trade in timber and oil with Khmer Rouge-controlled areas in Cambodia went into effect on Jan 1 as a means to pressure the Khmer Rouge to return to UN-sponsored negotiations.

"When a multinational oil company with the financial and political influence of Texaco invests in a country like Burma, it makes it substantially more difficult to effectively pressure a government...into applying the sanctions that have been repeatedly and loudly called for," Green November 32 explains. "Obviously sanctions would not be good for those US oil companies—Texaco, Amoco, Unocal, Tyndall and Apache (and quite possibly others)—that have invested so many millions of dollars in their relationship with the SLORC regime."

Multinational oil development remains the key to SLORC's expansion of the military, its control over the people of Burma and the development of credibility in the world community. Without foreign exchange from oil investment, the regime would be much more dependent on foreign aid, which is often tied to political reforms.

Reports [from] inside Burma attest that foreign investment has not translated into economic or political improvements for the people of the country.

"Despite the influx of foreign money, the life of the average citizen of Burma has not improved. Instead, it has steadily gotten worse," BURMA claims.

Human-rights groups assert that until some form of international trade or investment sanctions are passed by the United Nations or individual countries like the United States, multinational oil companies will continue to fuel Burma's military machine.

Foreign Oil Money Allegedly Sustains SLORC

BK0502004493 Bangkok THE NATION in English 2 Feb 93 pp C1, C3

[Article by Dhira O: "Oiling SLORC's Military Machine"; second of two-part series under the rubric "Focus on Environment: Indochina"—"how multinational oil companies are helping to bail out Burma's military regime, and the long-term consequences for the country's environment."]

[Text] Foreign investment in countries with repressive governments has always been a controversial issue—nowhere more so than in Burma.

Critics have focused their attention, justifiably, on the resultant human rights impacts: The hard currency brought in by foreign investment has helped prop up Burma's military regime, the State Law and Order Restoration Council (SLORC).

But there is also the issue of the consequent environmental impacts, not just of the timber trade but also of oil exploration, since the people of Burma will have to live with them without benefitting from the development of their own resources.

OIL & GAS JOURNAL, the leading US oil trade journal, announced in its May 18, 1992 issue that Indochina is emerging as a prime target for investment in oil and gas exploration and development.

Due to a pressing need for hard currency capital, Vietnam, Laos, Cambodia and Burma are now "offering some of the most attractive terms for oil and gas investment in the world." The magazine explained that these nations have sought involvement of foreign companies in oil and gas development by "enacting favourable foreign investment laws and quickly implementing international tenders for exploration and production acreage."

All oil and gas development in Burma is controlled by the military-run Myanmar Oil and Gas Enterprise (MOGE). Despite financial and technical support from Japan over the last decade, Burma has experienced a steady decline in oil and gas output, from a level of 30,000 barrels per day in the late 1970s to around 12,000 barrels per day in 1991.

In 1988, due to worsening economic conditions and the precipitous decline in oil production, the ruling SLORC has moved to end its isolationist policies with changes meant to attract foreign oil investment. As part of this move, the government reversed a 26-year-old policy banning foreign participation in onshore oil exploration and development and signed contracts with nine foreign oil companies.

The first nine multinational oil companies to sign contracts with SLORC in 1989 included Amoco (US), Unocal (US), Idemitsu (Japan), Royal Dutch Shell (Netherlands UK), Yukong Oil (South Korea), Broken Hill Petroleum (Australia), Croft Exploration (UK), Petro Canada (Canada) and Kirkland Resources (UK). The firms were reported to each have psid US$5 million-US$8 million in signing bonuses to the Burmese regime.

Since 1989, a number of other companies also have signed contracts with SLORC, including Premier Oil (UK), Nippon Oil Exploration (Japan), ELF (France), Petronas (Malaysia), and most recently the International Petroleum Corporation (Canada), Apache Oil (US), Tyndall International (US), and Texaco (US).

The FAR EASTERN ECONOMIC REVIEW reported on the Burmese oil concessions in 1991, saying that: "Foreign oil company executives give MOGE, and its director-general, Tin Tun, high marks for a cooperative attitude. They also laud the relative generosity of the initial concessions."

By that summer, the REVIEW reported these oil companies had invested about US$415 million into their exploitation efforts, hoping to cash in on the "generosity" of SLORC.

As Michele Bohana, director of the Institute for Asian Democracy explains: "The oil companies haven't lifted a drop of oil yet, but they have thrown hundreds of millions of dollars into the hands of SLORC."

Texaco, the newest entry into Burma, recently bought into three different concessions, one onshore and two offshore, without any public announcement. Onshore, Texaco purchased a 42 per cent stake in Block 1, the concession held by Croft Exploration and Clyde Petroleum. Offshore, Texaco acquired from Premier Oil a 50 per cent interest in two blocks covering 7.9 million acres in the Gulf of Mataban.

After uncovering Texaco's quiet move into Burma, Green November 32, a Bangkok-based environmental and human-rights organization, recently commented: "Texaco does not want its financial involvement with—and therefore tacit support of—the brutal SLORC military regime to be known as it may make it a target for boycott action."

Amoco's contract to explore the Block B concession included an initial payment of US$5 million to SLORC as a signing bonus. Block B is a 33,000 square kilometre tract located in the upper Chinwin Basin in northern Burma, which has some of the roughest terrain in the country.

Amoco has worked very hard to foster good relations with SLORC. The chairman of Amoco travelled to Burma personally in 1990 to meet with the head of SLORC, Gen Saw Muang. Jim Fair of Amoco stated in an interview that the company drilled one well in 1992, and "did not find hydrocarbons in commercial quantities." According to Fair, Amoco is currently "evaluating whether it will continue in Burma, period." Amoco continues to keep an office open in Rangoon.

Unocal has been working in the Block F concession, and has a joint venture agreement to explore the Block E concession, both of which are in central Burma. Unocal is reported to have agreed to invest US$29 million over the three years of its contract.

In response to high exploration costs and three failed oil wells, Russ Small of Unocal reported that the company is "planning to pull out of Myanmar at the end of 1992," when their contract expires. Small summarized Unocal's feelings saying, "three years, three wells, you're out." Unocal has not officially announced this decision.

Petro-Canada signed a US$22 million oil exploration contract for the Block E concession with SLORC, including an initial US$6 million signing payment. Petro-Canada is the 80 per cent state-owned oil company of Canada. The Canadian Government has repeatedly condemned the actions of SLORC. However, the government claims it cannot influence the decisions of its own oil company.

A number of human rights and environmental groups have called on the Canadian Government to pull Petro-Canada out of Burma. The Canadian environmental group Friends of the Rain Forest has organized a boycott of Petro-Canada because: "Up to 90 per cent of any oil and gas production goes to the military regime."

Further, they argue "oil investment dollars are helping turn mainland Asia's last significant forested region into a wasteland. Petro-Canada must share responsibility, along with the principal shareholder, the Government of Canada." Petro-Canada announced in November that it would not renew the three-year, US$28 million contract offered by SLORC.

Royal Dutch Shell is exploring the Block G concession which includes over 19,000 square kilometres in central Burma. Earlier this year, Shell became the first multinational company to discover recoverable quantities of oil or gas.

Large natural gas reserves were found at Ahpyauk, 80 kilometres north of Rangoon. Shell and SLORC plan to bring the well into production as quickly as possible at a rate of 20 million cubic feet per day.

Pe Kyi, engineering director for MOGE, was quoted as saying that SLORC was "very happy" about Shell's find, and promised many more wells would be drilled in the near future. Shell, however, was also said to be considering withdrawing from Burma due to a failure to negotiate new concessions satisfactorily.

Broken Hill Proprietary (BHP), Yukong Oil, and Kirkland have all been unsuccessful with their exploration efforts. Yukong spent more than US$20 million without completing its first spud—drilling its first well. BHP spudded a dry well in 1991, and withdrew entirely from the country in May 1992. Kirkland was reported to be considering pulling out of Burma completely at the end of 1991 after two years of unsuccessful exploration in a war-torn area close to the Thai border.

However, Green November 32 reports that International Petroleum Corporation (IPC) recently "propped up another floundering concession holder," by investing in the Kirkland block. Kirkland will likely just be replaced by IPC in this concession area.

Natural gas exploration has increased onshore and offshore as well. A subsidiary of the Thai national oil company, PTT Exploration and Production (PTTEP), has proposed a US$2-3 billion project to explore for natural gas in Burma's Gulf of Mataban.

The project would pump the estimated 3.6 trillion cubic feet of natural gas reserves in Mataban through a 500-kilometre undersea and overland pipeline from Burma to Kanchanaburi Province, possibly through Three Pagodas Pass. This pipeline would require extensive military protection, as it would pass through areas currently held by Karen and Mon rebel forces.

The French oil giant Total signed an agreement with MOGE in July to develop natural gas in two offshore blocks in the Gulf of Mataban covering an area of 26,000 square kilometres. Total plans to work with PTTEP to develop the concessions and feed the natural gas into the proposed pipeline. Total was chosen over two other western multinationals, Royal Dutch Shell and Unocal, in negotiations which lasted over a year.

However, the majority of the work in Burma is not done by the large oil companies who hold the concessions, but rather is subcontracted to a group of specialist companies. These smaller multinational oil service and support firms are doing geophysical testing, cutting roads, building helipads, drilling test wells, and providing other support for the controlling oil firms.

Some of the largest of these firms include Parker Drilling Co (US), Compagnie Generale de Geophysique (France), Geophysical Company Limited (French/US) which is owned by Schlumberger, Halliburton Geophysical Services (US), Grant Norpac (US), Heavilift (Australia), Columbia (US), PAE Singapore (US), and Seismograph Services Ltd (UK) which is owned by Raytheon, a US defence contractor.

Environmental Impacts of Oil Exploration and Production

Many parts of Burma have particularly rough terrain, and almost no infrastructure to support oil exploration and production. Most of the areas where oil exploration is proceeding remain inaccessible by roads.

Heavy equipment is shipped up rivers during the monsoon season, and then used after the monsoons have passed. Many activities require the use of helicopters to bypass the roads and rivers. Forests must thus be cleared to open areas for helipads, base camps, testing sites and roads.

Testing currently is being done with the use of gravity and seismic lines. Testing is performed by first clearing 1-4 metre wide paths one kilometre apart, in a series of grid lines. Ten-pound dynamite charges are then laid every 100 to 150 metres. Cables with seismic metres are placed along the grid lines and when the charges are detonated readings are taken and analyzed.

Roads are being cut by hand or with the use of bulldozers through the virgin tropical forests to lay the grid lines. Green November 32 has alleged Compagnie General de Geophysique has been cutting roads "with the use of forced labour in the Kirkland block," which is in a militarily contested area in southern Burma.

Environmental impacts of the oil exploration include the significant deforestation necessary to access areas for seismic testing and for the construction of helipads. Once roads are constructed into these areas, deforestation follows.

Green November 32 claims: "SLORC officials have arranged the granting of timber concessions to favourites in areas of virgin forest newly opened up by the oil companies." Constructing roads also allows the military to move soldiers, heavy artillery, and supplies into opened areas, thus securing their hold over the indigenous population.

Other environmental impacts of the exploration include large-scale erosion around areas which are cleared, dynamited, and drilled. Flash floods occur in deforested areas during the rainy season. Pollution of streams and rivers with mud and silt from the exploration process is common. Disruption of wildlife around the areas being explored is unavoidable due to the explosions, chainsaws and helicopters.

Oil and gas exploration around the world has come under fire for a number of environmental issues, many of which remain unregulated due to the powers of the oil company lobbies. Drilling muds used in exploration contain heavy metals that are commonly discharged onto land and into rivers. Produced waters are also a major concern for river pollution.

Amoco and Unocal officials interviewed for this article claimed their operations have no detrimental environmental impacts. Jim Fair from Amoco says the company has "assessed environmental impacts all along the way," and all of their drill sites "return to their natural state very quickly".

Michele Bohana of the Institute for Asian Democracy disagrees, saying: "Teak and hardwood cutting is currently more environmentally destructive, but long-term environmental destruction will result from oil development."

Ministry Bans Additional Goods From Border Trade

BK0302031093 Rangoon Burma Television Network in English 1430 GMT 2 Feb 93

[Text] The Ministry of Trade issued Order No. 2/93 yesterday. In order to increase agricutural production, the Ministry of Trade, in exercise of powers conferred under the Import-Export Supervision Tentative Act of 1947, has made exemptions of import license fees on chemical fertilizers, agricultural implements, agricultural machinery, and pesticides.

Under Order No. 3/93 issued yesterday, the Ministry of Trade added another 13 items of goods to the list of items, export of which through border areas are banned. The new items are: lead, iron, copper, silver, tin, tungsten, gold, diamond, jade, pearl, tin shellac alloy, coal, and various other metals.

Kachin Insurgents Execute Village Head in Mansi

BK0402041093 Rangoon Burma Television Network in English 1430 GMT 3 Feb 93

[Text] A group of five KIA [Kachin Independence Army] terrorists entered Mantha Village in Mansi Township, Kachin State, at 2100 on 11 January. They took Chairman U Hla Pe and Secretary U Khin Maung Aye of the village law and order restoration council to a place 250 yards to the south of the village and shot them to death with small arms.

The Tatmadaw [Defense Services] columns are launching a mopping-up operation against these terrorists, who killed innocent nationals.

Brunei, Malaysia & Singapore

Brunei

Thai Foreign Minister Visits, Meets Leaders

BK0502031593 Bangkok BANGKOK POST in English 5 Feb 93 p 7

[Text] Bandar Seri Begawan—The situation in Cambodia continues to worry Thailand and Brunei but both have pledged to support attempts by the Association of Southeast Asian Nations (ASEAN) to bring peace back to the war-torn country.

Concern was expressed yesterday when Foreign Minister Prasong Sunsiri received an audience with His Majesty Sultan Hassanal Bolkiah of Brunei, and when he called on the Foreign Minister, HRH Prince Mohamed Bolkiah.

The minister said after the meetings with the Brunei leaders that both countries were concerned about the situation in Cambodia which may affect the plan for general elections.

The UN-sponsored elections have been set for May 23-25.

In the meeting with the Sultan, Mr Prasong said Thailand planned to enhance its relationship with Brunei by offering academic and technical assistance to the oil-rich state.

Squadron Leader Prasong also met about 600 Thai workers at a factory in the suburban area of the capital city, where he told them that they were playing an important role in developing the oil-rich state.

About 20,000 Thai labourers are earning a living in Brunei.

Joint Commission To Be Set Up With Pakistan

BK0502091093 Islamabad Radio Pakistan Network in Urdu 0200 GMT 5 Feb 93

[Text] Pakistan and Brunei Darussalam have agreed to set up a joint commission to expand cooperation in various fields. The agreement came about at a meeting of senior officials of the two countries in Brunei. The joint commission will work out modalities for close cooperation between the two countries in the fields of trade, investment, communication, culture, education, defense, and health. The commission will meet once a year alternatively in the capitals of the two countries.

Malaysia

Officials Ordered To Ignore Royal Directives

BK0502094893 Kuala Lumpur Voice of Malaysia in English 0800 GMT 5 Feb 93

[Text] The government has issued a circular outlining 20 examples of royal directives, indications, requests, and visits which its officers must ignore.

The general circular 4/93, which was issued by the chief secretary to the government, Tan Sri Ahmad Sarji Abdul Hamid, comes into effect immediately. It outlines nine examples of administrative directives from the rulers to government officers which the latter must ignore and four examples of unofficial functions organized by the rulers during office hours to which the officers cannot give their conciliation.

Tan Sri Ahmad Sarji explained the contents of the circular to all heads of government departments at a meeting in Kuala Lumpur.

Media To Ease Campaign Against Rulers

BK0502040793 Singapore THE STRAITS TIMES in English 4 Feb 93 p 2

[By Kalimullah Hassan]

[Text] Kuala Lumpur—The government is easing up on the pressure it has put on royalty to prevent a backlash in public opinion over the controversial constitutional amendments to remove the legal immunity of the hereditary Malay rulers.

A senior government leader said: "There are signs that the press campaign to force the rulers to accept the amendments may have caused us to lose some support because it could have given some people the impression that we want to abolish the monarchy.

"We feel all the people agree that the rulers' immunity should be curbed. But some, especially among the Malays, are concerned with what they perceive to be an overkill by the newspapers."

He said the government had no intention to abolish the monarchy, but the media attacks may have given some a different impression.

On Tuesday, Deputy Prime Minister Ghafar Baba cautioned the local press not to go overboard in reporting the alleged indiscretions of the royal families.

Mr. Ghafar said the recent media reports implied that the government wanted to take the rulers to court to resolve the issue of the amendments. The cabinet had never said that, he said.

An UMNO [United Malays National Organization] Supreme Council member said the party's top decision-making body last week discussed the media attacks on royalty.

The UMNO leader said party leaders, including Prime Minister Datuk Sri Dr. Mahathir Mohamad, had expressed concern that the wide media coverage could give the people a negative impression.

He said Dr. Mahathir also met senior newspaper editors from the local newspapers to express his concern.

"However, the editors felt that they had not gone overboard and were merely exposing misdeeds which the people should know about," the UMNO leader said.

A Supreme Council member said all party leaders agreed that the rulers' immunity should be curbed. To explain the need for the constitutional amendments, the people must be made aware of the royal families' misdeeds, he said.

"But we are divided on how far we should go in exposing the misdeeds. I cannot tell you whether the majority are against or for the present media campaign... I can only say there are two schools of thought," he added.

He said he expected the newspapers to ease up on their attacks following Mr. Ghafar's caution.

The main English language and Bahasa Malaysia [Malay language] newspapers have been publishing stories every day on the alleged wrongdoings of the royal families ever since the row with the rulers started.

State-owned Radio Television Malaysia has also been screening Malay and Chinese movies on the misdeeds of royalty, in an apparent attempt to draw parallels between historical figures and Malaysia's present monarchs.

However, the cabinet minister and the Supreme Council members noted that the pressure would ease off only if the rulers did not start campaigning in the villages and condemn the government.

"This is not a threat. But if they campaign, we have to counter," the minister added.

Mahathir Launches National Agriculture Policy

BK0202093493 Kuala Lumpur Radio Malaysia Network in English 0600 GMT 2 Feb 93

[Text] Malaysians have the resources and ability to catch up with developed communities but require the determination to pursue them. Prime Minister Datuk Sri Dr. Mahathir Mohamed said Malaysians must not be taken in by the arguments of the developed communities because they want Malaysians to move slowly. He was launching the national agriculture policy in Kuala Lumpur. Datuk Sri Dr. Mahathir said the 18-year policy took into account changes in the national industrial policy. It employed six long-term strategies for the modernization and commercialization of the agriculture sector. Agriculture Minister Datuk Sri Sanusi Junid said later the policy would also provide incentives to farmers and fishermen participating in commercial enterprises and marketing of agricultural produce.

Singapore

Military To Strengthen Ties With Malaysia

BK0302141493 Singapore Singapore Broadcasting Corporation in English 1100 GMT 3 Feb 93

[Text] The Armed Forces of Malaysia and Singapore will form a joint committee in about two months to look into ways of strengthening bilateral ties.

Malaysia's Chief Defense Forces General Tan Sri Yaacob Zain said it is likely to have 12 members: two personnel from the Army, Navy, and Air Force. The Malaysian side, he said, will be headed either by a chief of staff or his deputy.

Gen. Yaacob was speaking to reporters in Singapore before leaving for Jakarta to continue his farewell rounds before he steps down in May. He said defense ties between Singapore and Malaysia have always been good but in recent years both sides have begun to drift apart. It is time to bring them closer. Gen. Yaacob said there are many linkages. The Malaysian Navy presence in Woodlands is one. The special linkage will be cut off once the Navy leaves. But there are other linkages which bring both Armed Forces together. They include the liberty of Singapore Air Force to fly over Malaysia and the movement of people on both sides without strict immigration procedures.

On bilateral military exercises, he wants to see them develop in scope and frequency. For example, the navies can exercise in other areas such as in northern part of the Strait of Malacca, while air exercises could cover new areas like Sabah and Sarawak.

Call To Reduce Workers' Levy Rejected

BK0302112793 Hong Kong AFP in English 0920 GMT 3 Feb 93

[Text] Singapore, Feb 3 (AFP)—Singapore Wednesday rejected a Filipino call for a reduction in its foreign workers' levy, saying it was used to regulate the number of workers entering the country.

"Being a small country, Singapore cannot allow unlimited inflow of foreign workers," a labour ministry spokeman said, adding that the levy was also neccesary because there was a big demand for foreign workers in the republic.

The spokesman was commenting on an AFP report from Manila Tuesday saying President Fidel Ramos would seek better terms for 80,000 Philippine workers here when he visit Singapore February 11.

Philippine Labour Secretary Nieves Confesor told a press forum that Ramos would, among other things, ask for a cut in the levy to raise the salaries of Filipinos, most of whom are domestic workers.

Confesor had said that the levy substantially reduced their earnings from 250 U.S. dollars to 125 dollars.

The Singapore labour ministry spokesman said that a monthly levy of 300 Singapore dollars (180 U.S.) was imposed on employers of foreign domestic workers.

Confesor said that Manila was confident Singapore would agree to a dispute settlement mechanism to cover its workers although the Singapore government had earlier been unwilling to enter into agreement on this and the cut in levy.

The labour ministry spokesman said dispute settlement in employer-employee conflict had long been an established function of his ministry.

"The ministry currently provides a grievance-cum-conciliation service to assist employers and workers to settle disputes involving terms and conditions of employment," he said.

The spokesman said the service was provided free of charge and was available to all foreign workers.

"Our experience is that the existing mechanism has worked very well in settling disputes between workers and their employers," the spokesman said.

Responding to an allegation by Confesor that Singapore was not "a very friendly market" for foreign workers, the spokesman said that more than 200,000 foreign workers, including a large number of Filipinos, had found the republic "friendly enough to work here."

"Many have repeatedly extended their work permits and thousands more are waiting for approval to come," he said.

Confesor had said that Manila was using the International Labour Organisation (ILO) as a third party to get Singapore to agree to improve conditions for foreign workers but had found that Singapore was "not exactly the best member of ILO" nor "a very active member."

The Singapore labour ministry spokesman, however, described Singapore's relationship with the ILO as "friendly and based on mutual understanding.

Trade Development Board on 1992 Trade Volume

BK0202133893 Singapore THE STRAITS TIMES in English 2 Feb 93 p 36

[Text] The volume of non-oil domestic exports ended the year with a whopping 46-per cent increase in December, bringing the expansion for the whole of 1992 to 13.9 per cent. For the year, Singapore's total trade volume—comprising imports and exports—climbed 5.4 per cent to (Singapore)$250 billion.

December's strong export showing surprised economists yesterday, who now think that Singapore's economic growth for last year could be revised upwards from the 5.6 per cent estimated.

The Trade Development Board [TDB] said yesterday that the strong growth in non-oil domestic exports, particularly in the second half of last year, was due mainly to brisk exports of disk drives and other electronic and computer products. It added that the pick-up was "driven by improvement in the US and EC markets, mainly in France and Italy, arising from the turnaround in economic growths in these countries".

Exports to Japan, however, "suffered a setback" owing to the recession there, while exports to Malaysia dropped, following a tightening of demand by the Kuala Lumpur Government to cool the country's overheated economy. But for December, TDB figures showed that non-oil domestic exports to Singapore's four major markets—the United States, Japan, Malaysia, and the European Community—had improved.

Non-oil domestic exports to the EC surged by 66.5 per cent, Malaysia by 47.1 per cent, Japan by 43.6 per cent and the US by 39.3 per cent.

The growth rates were also impressive for other export markets—Thailand (64.7 per cent), Hong Kong (40.1 per cent), and Taiwan (41 per cent).

Total volume of trade for the whole year rose 5.4 per cent to $250 billion, with imports climbing 5.9 per cent to $129 billion. Imports in December jumped by 30.4 per cent

Re-exports for the whole year rose 4.8 per cent, but soared in December by 25.2 per cent, due mainly to disk drives and electronic products.

A 9.5-per cent rise in domestic exports of oil in December came too late to rescue an 11 per cent fall for the whole year, due mainly to weak oil demand and low oil prices, said TDB.

Mr. Song Seng Wun, an economist at securities firm Smith New Court Far East, said the December trade data showed that the pick-up in Singapore's exports of electronic goods "was not a flash in the pan, but a sustained growth".

Although non-oil domestic export growth this year would continue to be led by electronic products, the growth would be spread over a wider range of goods, such as chemicals and plastics, he added. He thus projected non-oil domestic export growth in the first half of this year to be about 15 per cent—"a very conservative figure", he said.

Mr. Tan Khow Siong, a research analyst at Lim and Tan Securities, said "It is heartening to note that the decline in exports to Japan and Malaysia for most of last year had turned around. It means that Singapore's economic recovery is not just relying on the US and EC markets."

Mr. Tan said that the strong import growth in the last quarter was good news, as most of the imports were inputs for producing Singapore's exports and would hence show up as strong export growth in this quarter.

Cambodia

KR Raids in Pursat, Kompong Cham Reported

BK0302061593 Phnom Penh SPK in French 0416 GMT 3 Feb 93

[Text] Phnom Penh 3 February (SPK)—According to the National Security Ministry sources, 30 Khmer Rouge [KR] soldiers attacked a governmental position at Rumlek commune in Bakan district of Pursat Province at 0300 on 27 January. As a result, three villagers were wounded and 120,000 riels and 10,000 baht were stolen.

Before retreating, the guerrillas fired 20 shells with H-107 guns on the hamlet of Kouk Veal of Talo commune in the same province.

At 0630 on 25 January, 25 Khmer Rouge elements from Division 920 robbed rubber plantations in Memot district of Kompong Cham Province of six motorbikes and other valuable belongings.

SRV Said To Plan Northeast Areas Seizure

BK0502010693 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 4 Feb 93

[Excerpt] Reliable sources in Stung Treng and Ratanakiri Provinces say that puppet leader named Bou Thang is preparing troops and making plans with the Yuon [Vietnamese] to destroy the election outcome when they are defeated.

According to reports, the Yuon aggressors are hiding 10,000 of their troops along the Cambodia-Lao border in Veun Sai District, Ratanakiri Province, and in Siem Pang District in Stung Treng Province. Their plan is to prepare these 10,000 Yuon troops for another offensive from outside to seize a number of provinces in northeast Cambodia, such as Stung Treng, Ratanakiri, and Mondolkiri, for their puppet leaders to use as refuge when they are defeated in the elections or when their regime is smashed by the Cambodian people, and in order to continue the war of aggression against Cambodia. [passage omitted]

New Offensive Threatened if 'Buffer' Rejected

OW0502125693 Tokyo KYODO in English 1241 GMT 5 Feb 93

[Text] Phnom Penh, Feb. 5 KYODO—Hun Sen, prime minister of the Phnom Penh Government, has indicated that a second offensive against Khmer Rouge forces is likely if Phnom Penh's call for a U.N.-administered buffer zone is rejected, Phnom Penh Government sources said Friday.

The sources revealed that Hun Sen suggested the new offensive is possible in a discussion of the deteriorating Cambodian situation Tuesday with Yasushi Akashi, head of the U.N. Transitional Authority in Cambodia (UNTAC).

Hun Sen also apparently aborted Phnom Penh's first offensive against the Khmer Rouge stronghold of Pailin in Battambang Province, some 355 kilometers northwest of the capital, after considerable criticism from abroad, the sources said.

The government forces launched their offensive January 29 against military positions of the Khmer Rouge, which has refused to comply with the 1991 Paris Peace Accords it signed with Phnom Penh and two other Cambodian factions.

Hun Sen proposed in his meeting with Akashi the creation of a buffer zone but other members of Cambodia's Supreme National Council objected to the idea, saying it would threaten the territorial integrity of the Southeast Asian nation.

According to UNTAC sources, Akashi will meet Foreign Minister Hor Namhong of the Phnom Penh Government Saturday to urge restraint in "going it alone."

Since late last year Phnom Penh leaders have advised Hun Sen that their forces could take Pailin "within three days" but with relations worsening with SNC leader Prince Norodom Sihanouk, Defense Minister Tie Banh has advised against the attacks.

In confidential meetings with Akashi, however, Hun Sen has reportedly shown self-restraint but has told the chief U.N. peacekeeper, "we can topple Pailin in three days. Even our patience has limits."

UN-Reported 'Huge Offensive' Said Nonexistent

BK0502103693 Hong Kong AFP in English 1006 GMT 5 Feb 93

[By Sheri Prasso]

[Text] Phnom Penh, Feb 5 (AFP)—The United Nations reported this week that government forces had launched a huge offensive against the Khmer Rouge, but evidence here showed the scale of fighting amounted to no more than the usual.

Increasingly diplomats, some UN officials, and duped journalists who dashed to the front to check out what was supposed to be a war are referring to "the offensive that wasn't."

What had happened was that the UN Transitional Authority in Cambodia (UNTAC) spokesman compiled ceasefire violations over the last several weeks, noted an increase in fighting in central Cambodia over the weekend, and reported them all as amounting to a large-scale offensive and the largest ceasefire violation since UNTAC's arrival in Cambodia.

The spokesman gave the impression that the dozens of reports of artillery exchanges, battles and territory taken had occurred in a short period.

However, he later explained that the territory gains around the Khmer Rouge stronghold of Pailin had taken place up to five weeks earlier but had not been previously reported by the United Nations.

UNTAC reported Friday that several tanks used by government forces in the offensive were withdrawn from the frontlines in Kompong Thom and Siem Reap Provinces, but that sporadic shelling continued in some areas.

UNTAC is sticking to its contention that the Phnom Penh offensive was the largest ceasefire violation since UNTAC's deployment. However, fighting under the UN advance mission in January 1992 displaced 20,000 people in Kompong Thom Province and sent dozens of wounded to hospitals.

This time, aid organizations said they had no influx of wounded and did not know of any displaced people. Those 10,000 refugees reported displaced by fighting in western Cambodia in December had started going home, aid sources said.

The December fighting was on a larger scale than that which had occurred last week, diplomats and UN sources said.

Journalists, including an AFP photographer who visited both Pailin and Kompong Thom, said the fighting there was on a lesser scale even than usual.

In addition, the Phnom Penh Government propaganda machine failed to seize on the "offensive," neglecting to mention it on state-controlled news programs.

Diplomats pointed out that the government could have scored a real political coup by underscoring their contention that UNTAC has done little to counter the Khmer Rouge while the government is the real protector of the people.

Why UNTAC chose Monday to give the impression that full-scale war was breaking out was unclear.

Some diplomats said it was a genuine mistake on the part of the UNTAC spokesman's office, but others suggested a political motive.

The announcement came one day before a meeting between UNTAC chief Yasushi Akashi and Phnom Penh Prime Minister Hun Sen, in which UNTAC was seeking his concession to try two suspects accused of murder.

The government has blocked their trials, and the matter was being negotiated.

Opposition Party Accuses Government of Murder

BK0402091493 Hong Kong AFP in English 0903 GMT 4 Feb 93

[Text] Phnom Penh, Feb 4 (AFP)—A member of Cambodia's main opposition party FUNCINPEC [National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia] was killed and another gravely injured in two attacks this week that showed political violence was not abating despite new measures by U.N. peacekeepers, the party said Thursday.

FUNCINPEC identified two Phnom Penh government police officers as the assassins in the murder of Chin Saroeun, who was shot dead in eastern Kompong Cham Province on Sunday.

The man was the FUNCINPEC representative attached to the United Nations electoral registration unit. He died instantly when a group of men came to his house at 11 P.M. and opened fire, the FUNCINPEC statement said.

The party also said one of its workers was run down and gravely wounded by a black car whose occupants had scoffed at U.N. peacekeepers after an earlier attack.

Pech Savoeun was leaving the office in Takhmau just outside Phnom Penh for lunch on Wednesday when his motorbike was chased for 500 meters (yards) and run over by a black car, FUNCINPEC said.

He was critically wounded in the head and taken to the U.N. Transitional Authority in Cambodia (UNTAC) hospital in the capital.

He had lost one eye as a result of the attack, FUNCINPEC said.

The occupants of the same black car shot at the FUNCINPEC office in Takhmau in December, the statement said.

"On that occasion, it returned in front of the office following the attack as if to survey the damage caused and scoff at the UNTAC policemen," it said.

The license plate number was recorded by UNTAC at the time.

An UNTAC spokesman could not immediately confirm the attacks.

FUNCINPEC has been hard hit by a spate of political violence at its party offices throughout the country.

Its leader, Prince Norodom Ranariddh, claims to have had 20 members assassinated in two months as the party becomes increasingly popular and a serious threat to the Phnom Penh government party's chances of winning U.N. elections scheduled for May.

The government has said the Khmer Rouge are responsible for the violence, but UNTAC has charged a government policeman with the murder of a FUNCINPEC member in the southern city of Kampot.

A state-controlled police newspaper this week said that crime was committed by bandits.

UNTAC has implemented new measures including the powers of arrest and prosecution to halt the wave of violence.

However, its attempts to bring two men to trial in the capital have been blocked by the government, which said the men must be tried in the provinces.

UNTAC believes it cannot hold a fair trial outside the capital, and that the penal code adopted by the country last year allows changes in venue.

FUNCINPEC Workers 'Taken' by Government

BK0502105693 Hong Kong AFP in English 1030 GMT 5 Feb 93

[Text] Phnom Penh, Feb 5 (AFP)—The FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] opposition party said Friday that six of its members were taken away blindfolded by government soldiers in northwestern Cambodia and were not seen again.

The soldiers went to the residence of one of the party members at 11:00 P.M. (1600 GMT) Sunday in the province of Battambang, arrested him, then blindfolded the man and took him away, a FUNCINPEC statement said.

On Monday evening, the same soldiers returned and took away five more FUNCINPEC members in the same manner, the statement added.

A UN Transitional Authority in Cambodia (UNTAC) spokesman said UNTAC was aware of the incident and was trying to verify the whereabouts of the six men.

FUNCINPEC said villagers were able to identify six of the government soldiers by name.

"We condemn in the strongest terms this new violation of human rights on the part of the existing administration," FUNCINPEC said.

The party reported Thursday that one of its members had been deliberately run down by a car and seriously injured outside Phnom Penh and that another was assassinated in eastern Kompong Cham Province.

FUNCINPEC has been hard hit by a spate of political violence as its popularity grows at the expense of the ruling Cambodian People's Party ahead of UN-run elections in May.

Sihanouk Threatens To Abstain From Elections

BK0502083193 Hong Kong AFP in English 0812 GMT 5 Feb 93

[By Pierre Lanfranchi]

[Text] Beijing, Feb 5 (AFP)—Prince Norodom Sihanouk may not now run for president of Cambodia in elections expected to be held later this year, he said in a letter released here on Friday.

"It is probable that I will not present myself in the presidential elections," he said in the letter to a leader of Amnesty International.

Sihanouk, 70, had previously said he was willing to run if presidential elections were held. Legislative elections are planned for May 23-25.

The former ruler of Cambodia is generally considered the only person with enough authority to hold the post of president and a certainty to be elected.

The legislative elections, to be organized by the United Nations Transitional Authority in Cambodia (UNTAC), are part of the 1991 Paris peace accords aimed at ending nearly 13 years of conflict in Cambodia.

The accords did not provide for a presidential election, but this has now received the backing of the U.N. and Cambodia's factions. Sihanouk originally said it should be held before or at the same time as the polls for the legislature, then said it should follow them, to allow the new assembly to determine the president's powers.

"I have no political party," Sihanouk said in the letter.

"Regarding elections in May... I will not be a candidate. As for the presidential election, I don't know what date UNTAC will fix."

France, co-chairman with Indonesia of the International Peace Conference on Cambodia, said Thursday it hoped the presidential election could be held prior to the legislative poll.

Jean Musitelli, spokesman for French President Francois Mitterrand, said such an arrangement "appears to be the best guarantee in the face of this delicate and critical period Cambodia will go through in the coming months."

He said Paris supports a proposal by Cambodian Foreign Minister Hor Namhong, stated in talks with French counterpart Roland Dumas, that the presidential election be held on April 5.

"Prince Sihanouk, if he maintains his candidacy and is elected, is in a better position than anyone else to unite Cambodians around him," Musitelli said at a press conference ahead of Mitterrand's visit to Cambodia next week.

Sihanouk, who has been living in Beijing the past two and half months for medical treatment, will return to Phnom Penh on Tuesday.

He will preside over a meeting on Wednesday of the Supreme National Council (SNC), the reconciliation body grouping Cambodia's four warring factions.

He is to meet Mitterrand several days later.

Responding to Amnesty International charges on human rights violations in Cambodia, Sihanouk said in reference to the various factions: "They don't always listen to me."

"If one day I become Cambodia's true head of state once again, I promise you that in exercising my powers, my administration and myself will respect human rights 100 percent."

He added that since his return to Phnom Penh in November 1991, he had done his "utmost to uphold the respect of the rights and freedoms of the Khmer people."

However, he emphasised that the SNC has no powers of government or administration, which rested with UNTAC and the Phnom Penh government, one of the four factions.

The Khmer Rouge, the most powerful opposition faction, has said it will boycott the legislative elections because it believes Vietnamese troops remain in Cambodia disguised as civilians.

Hanoi, which overthrew a Khmer Rouge administration in 1979, says it withdrew its troops from Cambodia in 1989 and has since reintroduced no troops or munitions.

The U.N. has said it has found no proof of the Khmer Rouge assertion.

The remaining factions are nationalists who follow former Prime Minister Son Sann, and those loyal to Sihanouk, led by his son prince Norodom Ranariddh.

Sihanouk's Role in Peace Process Analyzed

BK0502034593 Jakarta KOMPAS in Indonesian 6 Jan 93 p 4

[Editorial: "Peace in Cambodia is something unthinkable without Norodom Sihanouk"]

[Text] Norodom Sihanouk is a seasoned politician who is deeply aware of the strength and weakness of his own position and personality. He is also an expert in manipulating events. But one thing is certain—in politics, he never abandons his people whom he also regards as his subjects and even as members of his big family. This is evidenced from the fact that no matter how cruel the Khmer Rouge regime is, Sihanouk continues to live in Phnom Penh even though he cannot prevent the Khmer Rouge from committing atrocities against its fellow countrymen.

Several decades ago, a military coup attempt backed by the anticommunist Western power ousted Sihanouk from his post as head of state. At that time, he was viewed by the Western bloc as less than cooperative toward U.S. military campaigns in Vietnam, while the Soviet Union could not trust him either. When he was down and out, only the PRC and North Korea were willing to shelter him.

But when it appeared that the Cambodian conflict could no longer be politically tolerated because it gave moral shame to the superpowers which had been competing in the international political arena, Sihanouk was brought back to the political limelight. He is expected by the major powers to ensure the realization of a new country based on the resolutions adopted at the Paris peace conference. It is clearly visible that the formula of the Cambodian peace settlement reflects the wishes of the major powers which want to show that they can solve a problem which they themselves have created.

Indeed the rise and fall of Sihanouk is closely related to the political engineering of the major powers. However, as a true patriot who has reciprocal charismatic ties with his people, Sihanouk now has a chance to act in accordance with his prerogatives and conscience. His protests—in the form of threats or moves to disassociate himself from any efforts to solve the Cambodian problem—have taken place several times.

However, his latest threat deserves more careful analysis because it is not merely aimed at the Hen Sen-led Phnom Penh regime and Yasushi Akashi-led UNTAC [United Nations Transitional Authority in Cambodia], or because of the incidents which have affected his political followers.

From some of his latest open remarks, we feel that Sihanouk has begun to question the sincerity, significance, and method of implementing the peace accord. As the leader of a nation who once had to recognize the supremacy of its colonial master, Sihanouk realized that UNTAC is adopting a know-it-all attitude as to what is best for the Cambodian people.

Sihanouk may have now realized that the Paris peace accord has indeed become an opportunity for all those involved in the peace talks to reap the highest benefits for themselves when the Cambodian conflict is over. He must have realized that the Cambodian people have become a mere object of exploitation.

The Paris peace accord has not yet brought peace to the Cambodian people but the "pseudo peace" has already given adequate opportunity to some people to gain economic and political benefits. Thai businessmen have made their fortune from mining and forestry contracts while many Vietnamese citizens have made money spent by UNTAC forces and overseas humanitarian aid groups. The Phnom Penh faction has also benefited by making itself more intimate to UNTAC, thus boosting its international position.

Sihanouk must be unhappy with his merely symbolic post as chairman of the Cambodian Supreme National Council [SNC], which is unofficially recognized by the United Nations and international community. He is also unhappy with the situation where armed violence is still being used to achieve one's end and create certain political impacts.

FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia], an organization led by Sihanouk's son Norodom Ranariddh, has even become the target of harassment by the Hun Sen faction. Sihanouk is disappointed that the UN security authorities have not provided adequate security to FUNCINPEC personnel and offices, especially those located outside Phnom Penh.

Without Sihanouk, it is clearly unthinkable that the Cambodian problem will be settled comprehensively. It is also unthinkable that Sihanouk's position will be replaced by another leader. Likewise, it is unthinkable for UNTAC to perform its duties without Sihanouk's assistance and cooperation.

Recently, UNTAC has even been given a nickname of Yuontac (in Cambodian, Yuon means Vietnamese), which means that the UN transitional authority is not considered a UN agency, but an agency staffed by and belonging to foreigners. For ordinary Cambodian people, Cambodia is still not a free country because a foreign agency still controls and determines their country's fate.

Therefore, it is high time to think of a way to enhance cooperation between UNTAC and not only Sihanouk, but also the SNC as an institution. The role of the SNC must be expanded and be made the main counterpart of UNTAC in implementing the Paris peace accord. This will hopefully change the increasingly negative image of UNTAC. As such, Sihanouk's role will become clearer and he will not be just a symbolic figure or a mere spectator when the UNTAC chairman is doing a one-man show.

Indonesia

Alatas Notes Suharto Request To Attend G-7 Meet

BK0502103093 Jakarta ANTARA in English 0918 GMT 5 Feb 93

[Text] Jakarta, Feb 05 (OANA-ANTARA)—Foreign Minister Ali Alatas said that Indonesia is still waiting for Japan's answer about the possible participation of President Suharto in his capacity as chairman of Nonaligned Movement (NAM) in the summit of seven industrialised countries, or G-7, in Tokyo.

Japan is still holding negotiations with other member G-7 countries about the Indonesian pacticipation in the meeting so that we are just awaiting the result now, Alatas told the Parliament (DPR) here on Friday.

Alatas said that Japan and Indonesia have the same views that the presence of the NAM chairman in the G-7 meeting is very important because Indonesia could speak in the meeting on behalf of developing countries.

According to Ali Alatas, the participation of Indonesia is also important in an effort to improve cooperation between developed and developing countries through the North-South dialogue.

President Suharto expressed the hope for the NAM chairman to participate at the G-7 meeting when Japanese Prime Minister Kiichi Miyazawa visited Jakarta a few months ago.

The G-7 consists of the United States, Britain, France, Japan, Germany, Italy, and Canada.

Minister Alatas also said that the Japanese Government had allocated a fund worth 2.3 billion U.S. dollars in support of Indonesia's effort to improve cooperation among developing countries.

Alatas Denies Sihanouk 'Frustrated' by UNTAC

BK0502123893 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 5 Feb 93

[Text] Foreign Minister Ali Alatas has denied reports that Norodom Sihanouk, chairman of Cambodia's Supreme National Council [SNC], has been frustrated over peace efforts exerted by the United Nations Transitional Authority in Cambodia [UNTAC]. He said Sihanouk has consistently praised UNTAC's role during several meetings, particularly the latest one in Beijing. UNTAC under the leadership of Yasushi Akashi has been trying hard to overcome all obstacles and threats to implementation of the Paris accords. However, he admitted there are mutual recriminations between the Democratic Kampuchea faction, or between the Khmer Rouge and the Phnom Penh regime.

Prosecution Claims Authority To Try Gusmao

BK0502074793 Melbourne Radio Australia in English 0500 GMT 5 Feb 93

[Text] In the Indonesian Province of East Timor, the trial of independence leader Xanana Gusmao is now in its third day. The prosecution has told the Dili District Court that it has the authority to hear the matter following Wednesday's claim by Mr. Gusmao's defense counsel that the court had no jurisdiction in the case. Ian Macintosh reports from Dili:

[Begin Macintosh recording] In another brief appearance, Xanana Gusmao heard chief prosecutor I. Ketut Swara base his response on Indonesia's long-standing interpretation of the events of 1975 and 1976 in East Timor. In support of his contention that the court was competent to try Mr. Gusmao, the prosecutor argued that the East Timorese political parties opposing Fretilin [Revolutionary Front for an Independent East Timor] at the time had proclaimed the integration of the former Portuguese colony into Indonesia.

He said representatives of the population then voted in May 1976 for integration. East Timor, he contended, was an inseparable part of Indonesia and the court had the authority to hear Mr. Gusmao's trial. [end recording]

Embassy in Syria Denies Ties With Israel

JN0402173593 Damascus SANA in Arabic 1545 GMT 4 Feb 93

[Text] Damascus, 4 Feb (SANA)—Indonesia has officially denied recent reports on the establishment of diplomatic relations with Israel.

A statement issued by the Indonesian Embassy in Damascus affirms the following: "Indonesia is committed to its principled stand on supporting Palestine and the Arab nation in its conflict with Israel. As long as the core of the Palestine question has not seen the required just solution, Indonesia will not establish any relations with Israel."

In its statement, the embassy explains that the peace process will not find its way toward success because of Israel's continued intransigence and obstruction of international efforts to reach a just, comprehensive solution.

Diplomatic Relations With Georgia Established

BK2901034793 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 29 Jan 93

[Text] Indonesia and the Republic of Georgia have established diplomatic relations marked by the signing of a joint communique by Djanwar Djani, Indonesian ambassador to the Federation of Russia and (Peter Skaysiy), Georgian charge d'affaires to the Federation of Russia. A press release issued by the Foreign Affairs Department in Jakarta disclosed that the establishment of diplomatic ties was, among other things, aimed at upgrading bilateral relations. The two countries' desire for greater bilateral relations was based on the basic principles and objectives of the UN Charter and the 1961 Geneva Convention on diplomatic relations.

Laos

Thai Army Chief Arrives on 2-Day Visit

BK0402145593 Bangkok Army Television Channel 5 in Thai 1200 GMT 4 Feb 93

[Text] The military relationship between the Thai Armed Forces and the Lao People's Army [LPA] has strengthened and developed a step further. On the first day of his two-day visit to the Lao People's Democratic Republic] LPDR as guest of the Lao National Defense Ministry, Thai Army Commander General Wimon Wongwanit and his delegation were welcomed by Lieutenant General Ai Souli-gnaseng, chief of the General Staff of the LPA, upon their arrival at Wattai Airport in Vientiane. The visitors were then accompanied to review the honor guard. The Lao and Thai officials then discussed the topics of their official meeting to be held that morning. Gen. Wimon laid a wreath at the monument to the unknown soldiers built by the LPDR to honor unknown heroes who helped defend their country.

At their meeting, Gen. Wimon and Lt. Gen. Ai Souli-gnaseng expressed satisfaction at the strengthened relations between their armed forces, particularly at the local and central levels involved in the committee for cooperation in maintaining peace and tranquility along the Thai-Lao border. The LPDR side thanked the Thai Armed Forces for assistance in such fields as training of army medics and communication officials.

[Begin recording] [Wimon] At the lower levels, there have been training and education exchanges. For example, Lao medics have received training at the Phra Mongkutklao Hospital. In the future there will be more joint training of Thai and Lao soldiers. For young soldiers, there might be joint sporting events to create rapport between each other.

[Ai Souli-gnaseng, in Lao, broadcast in progress] ...to realize cooperation in maintaining peace and order along the Lao-Thai border in general. If this can be implemented, Lao-Thai relations will be further developed and strengthened. The two sides have pledged that they will assist each other in all fields. [end recording]

Activities Reported

BK0502100393 Vientiane Vitthayou Hengsat Radio Network in Lao 0430 GMT 5 Feb 93

[Text] In response to an invitation of the chief of the General Staff of the Lao People's Army [LPA], a delegation of high-ranking military officers from the Kingdom of Thailand led by Army Commander General Wimon Wongwanit arrived at Wattai Airport at 0920 on 4 February for an official visit to the Lao People's Democratic Republic [LPDR].

Upon their arrival at the airport, Gen. Wimon and his delegation were welcomed by Lieutenant General Ai Souli-gnaseng, chief of the LPA General Staff and a number of Lao high-ranking military officers. Also present were Nikhom Tantemsap, ambassador extraordinary and plenipotentiary of the Kingdom of Thailand to Laos, and Colonel Thawisak Phutsali, Thai military attache to the LPDR.

After being accorded a warm welcome at the airport, the Thai military delegation laid a wreath at the monument of the revolutionary combatants at 1000 on the same day. The delegation then met with a high-level Lao military delegation to discuss issues of mutual interest.

At 1200, the visitors attended a luncheon at the Lanxang Hotel hosted by Lt. Gen. Ai Souli-gnaseng, chief of the LPA General Staff, in honor of the Thai army commander, Gen. Wimon, and his delegation.

Farmers Fall Short of 1992 Rice Output Target

BK0302115793 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 2 Feb 93

[Text] According to a report of the Agriculture and Forestry Ministry, only 1,502,360 metric tons of rice was produced throughout the country in 1992. This figure is 8.79 percent below the production target set for 1992. On average, each citizen produces only some 342.4 kg of paddy per year.

The failure to fulfill the rice production target was caused by unfavorable climatic conditions in many localities. For example, various provinces in the northern region suffered severe drought. A total of 24,097 hectares of rice fields were affected by the drought while 2,565 hectares were damaged by pests. At the same time, farmers in certain areas suffered losses caused by floods. A total of 251.5 hectares of rice fields were damaged by the floods.

The Agriculture and Forestry Ministry also assessed that the agricultural production of farmers throughout the country considerably increased in 1992 as compared to that achieved in 1991. In 1992, new rice farming techniques were utilized ever more efficiently in many localities. Noteworthy is that the planting of nonglutinous rice covered as much as 15 percent of the total farmland, mostly in Vientiane municipality. Stable manure and composed fertilizer were also used more widely to enrich the farmland, mostly in Savannakhet Province. As a result, production efficiency was noticeably increased compared to previous years. Following the use of the new techniques and the manure, in the dry-season rice farming, as many as 3.56 metric tons of rice were produced per hectare. There was a total of 15,535 hectares of land devoted to dry-season rice farming in 1992. The dry-season rice production efficiency increased by 4.6 percent compared to 1990. As for the main rice farming season, rice was transplanted on a total of 392,481 hectares, and the average rice yield per hectare was 2.94 metric tons, or some 6.52 percent more than in 1990. As for highland rice farming in 1992, output dropped compared to previous years. Throughout the country, only 293,626 metric tons of rice was harvested from highland rice farming. This represents 86.75 percent of the output in 1990.

In view of this, the Agriculture and Forestry Ministry assessed that in general, the rice production target for 1992 was not completely fulfilled. This resulted from natural disasters. As a result of the failure to achieve the rice production target, people in certain localities are likely to suffer rice shortages. Nevertheless, in general, the agricultural production of our Lao people in 1992 was considerably developed compared to 1991. Goods-oriented production has also emerged in many localities. Our government's list of goods has also attracted a higher number of both domestic and foreign investors. This has become a significant factor to boost the agronomic development of our country in the immediate future.

Chinese Company Sells Rice in Luang Namtha

BK0402040193 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 2 Feb 93

[Text] The (Loliang Muanghai) Company, from Xishuang Banna, China, has so far sold more than 10 metric tons of glutinous and ordinary uncooked white rice in Luang Namtha Province. The Chinese company was given a green light for importing the agricultural produce in mid January to help solve the rice shortage problem in Luang Namtha Province.

Since the last seasonal rice production was seriously affected by a severe drought, residents of the Lao province were predicted to face a shortage of rice for consumption for about nine to 10 months. The Luang Namtha provincial administration therefore decided to allow the Chinese company to import a total of 10,000 [as heard] metric tons of uncooked white rice for sale in the province at a rate of 150 kip per kg of ordinary white rice and 180 kip per kg of glutinous white rice.

In the process, the Luang Namtha provincial administration exempts collection of profit tariff from the company. However, import tax is still imposed in accordance with the Lao taxation law. All this is aimed at helping the cadres and people throughout the province, who are suffering rice shortage as a result of the above mentioned natural disasters last year, to have rice for consumption at a low price.

Tourism Authority Shifts to Prime Minister's Office

BK0502113893 Vientiane KPL in English 0902 GMT 5 Feb 93

[Text] An official ceremony was held on February 3 at the Ministry of Trade and Tourism to transfer the Tourism Authority of Laos to be attached to the Office of the Prime Minister.

The transfer of the Lao Tourism Authority to the Prime Minister's Office was made on this office's note dated December 2, 1992.

Signing the transfer document were Mr. Sompadit Volasan, minister of Trade and Tourism, and Phao Bounnaphon, minister to and head of the Prime Minister's Office.

At the end of the ceremony the two ministers gave talks to officials of the tourism authority, advising them to carry out their works in a more active and effective way.

Phoumsavan, Siphandon Receive Castro's Greetings

BK0402145393 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 4 Feb 93

["Recent" message of thanks from Fidel Castro Ruz, president of the State Council and the Government of the Republic of Cuba, to Nouhak Phoumsavan, president of the Lao People's Democratic Republic, and Khamtai Siphandon, prime minister]

[Text] In the name of the Cuban people, party, and government, I would like to extend my sincere and profound thanks to your country for giving support to a resolution adopted by the UN General Assembly opposing the unjust economic, trade, and financial blockade imposed by the U.S. Government against our country for more than 30 years. The said resolution is very important not only to the Cuban people, but also to all justice-loving peoples and governments who have voiced opposition to the hegemonistic policy pursued by the U.S. Administration in dealing with our country. It is also very important to the safeguarding of the sovereignty of all states, equal rights, the just international order, and the rights and interests of all countries.

The Cuban leader also highly valued the persistent stand of the Lao People's Democratic Republic [LPDR] in rendering support and expressing solidarity with the cause of the Cuban people and mankind. He once again reaffirmed the steadfast determination of the entire Cuban people in their continued struggle for socialism, independence, friendship, and cooperation between the two countries.

On the same occasion, Phoun Sipaseut, deputy prime minister and foreign affairs minister, also received a letter of thanks with similar contents from Ricardo Alarcon de Quesada, foreign minister of the Republic of Cuba, who concluded that the resolution adopted by the UN General Assembly on 24 November 1992 has received extensive support from the world community. Such support reaffirms the determination of the international community to see to it that all principles and regulations of international law be abided by, including the sovereignty and equal rights of all states in particular, and that all countries refrain from aggression against and interference in one another's internal affairs and be allowed to enjoy freedom of trade.

The Cuban foreign minister concluded: This is also a common victory of the international community. However, Cuba would like to extend its profound thanks to the fraternal Lao people for your longstanding traditional solidarity with us.

Philippines

Government Supports Regional Security Framework

HK0502062393 Manila PHILIPPINE DAILY INQUIRER in English 5 Feb 93 p 6

[Text] Foreign Secretary Roberto Romulo yesterday said the Philippine government would support Japan's proposal for a formal "security framework" among Asia-Pacific countries after the pullout of the United States military from the Philippines.

Romulo, who is in Japan for bilateral talks with his counterparts there, said that countries in the region must not rely solely on the U.S. for security because of the domestic problems of Clinton administration has to face.

Romulo said that with the end of the Cold War and the reduction of armed forces worldwide, the issue of collective security must now be a subject of regular dialogs among countries benefitting from the U.S. presence in the region.

"It is now possible to speak, as (Japanese) Prime Minister Miyazawa did in his recent visit to four ASEAN countries, of the nations of the Asia-Pacific region developing 'a long-term vision regarding the future order of peace and security for their region' through political and security order," Romulo said.

According to the foreign secretary, conflicting territorial claims in the South China Sea by at least six countries, including the Philippines, were among the potential conflicts which must be immediately addressed.

During his ASEAN swing early last month, Miyazawa urged members of the Association of Southeast Asian Nations to develop a "long-term vision" to address peace and security concerns in Asia.

He said that the new security framework is aimed at controlling "Asia military expansion" in the post-Cold War era.

Ramos To Visit Singapore, Promote Trade, Labor

HK0502031293 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 4 Feb 93

[Text] President Fidel V. Ramos is scheduled to leave for Singapore this coming Thursday, 11 February. Ramos' three-day visit to Singapore will be his fourth trip designed to promote trade and labor relations between nations in southeast Asia. The chief executive will be accompanied by First Lady Amelita Ramos, several prominent Filipino businessmen, and several cabinet members. The president will be meeting with several top Singaporean government officials and businessmen, and he hopes to sign several agreements to solve the problems of Filipino workers, especially domestic helpers. He also hopes that his delegation will be able to pursuade several Singaporean businessmen to invest in the country.

Ramos To Discuss Comfort Women Issue in Japan

HK0202041293 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 1 Feb 93

[Text] President Fidel V. Ramos will take up the issue of comfort women during his four-day visit to Japan in March. Topping the agenda is the proposed establishment of a foundation to support Filipino comfort women who were abused by Japanese troops during World War II. It has been explained that the foundation will not be a substitute for any compensation to the comfort women.

In this connection, Foreign Secretary Roberto Romulo will leave today for Tokyo to discuss the comfort women issue with top Japanese officials. During his five-day visit, Romulo will seek to reach an agreement with Japanese Foreign Minister Michio Watanabe to resolve this issue.

Japan Formally Apologizes to Comfort Women

HK0502034593 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 4 Feb 93

[Text] The Japanese Government has formally apologized to Philippine women who were recruited as comfort women during World War II. Foreign Affairs Secretary Roberto Romulo said Japanese Foreign Minister Michio Watanabe has assured him that Japan is prepared to meet with the Philippine Government officials to resolve this issue.

Several comfort women have already come out in public to demand a formal apology and compensation for the hardships they experienced during World War II from the Japanese Government. Romulo is currently in Tokyo to prepare for President Ramos' visit next month.

Trade Department Amends IPR Laws

HK0402043593 Manila BUSINESS WORLD in English 4 Feb 93 p 2

[Text] The Department of Trade and Industry (DTI) is fine-tuning patents, trademarks and technology transfer regulations to meet demands raised by the United States on the issue of intellectual property rights (IPR).

New amendments to existing regulations were approved by Trade and Industry Secretary Rizalino S. Navarro last week and will take effect on March 15.

The reforms will raise the filing fees for patent and trademark applications as well as liberalize requirements for the registration of technology transfer agreements. The fees for big applicants were raised by 200% to 300%.

The DTI, however, said it will be charging only minimal fees to small enterprises with assets not exceeding P5 million [Philippine pesos].

Under the amended rules, the DTI will also have to delegate its regulatory powers over technology transfer agreements.

Thus, its Bureau of Patents, Trademarks and Technology Transfer (BPTTT) can now automatically approve contracts with royalties not exceeding 5% of net sales for the transfer of technology through patents and trade secrets.

Other major amendments to existing technology transfer regulations are as follows:

—contracts may now provide for a longer term of 10 years with no automatic renewal. The old rule only provided a maximum period of five years with no automatic renewal;

—the bonus of 2% on net foreign exchange earnings will now apply to both new and existing exporters;

—arbitration may now take place in either the Philippines or a neutral country. The old rules dictated that arbitrations should only be held in the Philippines;

—liabilities resulting from the implementation of the technology transfer arrangement may now be jointly shared by parties to the contract. The old rules required only the licensor or the technology owner to be responsible for any damage or liability resulting from the arrangement.

The new patent and trademark rules will formalize the Philippines' claim that it is not imposing any royalty cap, contrary to accusations made by the U.S.

Edsel Custodio, who acts as both DTI assistant secretary and head of the International Trade Group, said the issue of royalty fees was one of the IPR demands raised by the U.S. in past negotiations.

"When they sent their representatives here, they were under the impression that we still maintained a royalty cap," said Mr. Custodio.

The cap, however, was only part of the foreign exchange regulations imposed by Government and was not at all related to the Philippines' official stand on IPR, said Mr. Custodio.

The recent liberalization of foreign exchange, however, effectively wiped out the royalty cap.

"These new rules and regulations will clarify this thing once and for all," said Mr. Custodio.

This demand was already removed from the U.S. list of IPR guideposts last June, the DTI official said.

Authorities Strike Red Scorpion Group

HK0202014993 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 1 Feb 93

[Text] Six members of the Red Scorpion Group [RSG] were killed, while nine of its high-ranking leaders were arrested in two separate operations conducted by a joint team composed of members of the Philippine National Police [PNP], the Armed Forces of the Philippines, and the Presidential Anti-Crime Commission [PACC] in the provinces of Cavite and Bulacan.

Those killed in the initial encounter were identified as Ronnie Aseo, RSG intelligence operations chief; Rolando Baniloan, RSG North Command commanding officer; Jimmy Rodriguez, RSG South Command chief; and Alberto Daylo, RSG logistics officer. The three RSG officials captured during the initial encounter were identified as Danilo Calilong, right-hand man of the RSG's leader [Alfredo de Leon]; Alvin Lazaro, north command vice-commanding officer; and Alfredo de Leon's look-alike, George Tanik. Tanik is currently undergoing intensive interrogation because of his likeness to De Leon, who reportedly underwent plastic surgery.

Confiscated from the group were an assault rifle, a .45-caliber gun, a cellular phone, two Pocket Bell pagers and more than 90,000 Philippine pesos.

In related news, President Fidel Ramos lauded the PACC, PNP, and other government agencies involved in the killing of the six RSG members. The president also praised them for arresting several other RSG members in several towns near Metro Manila. Ramos said the arrests were a positive step in the government's campaign against kidnap-for-ransom syndicates. The RSG, led by Alfredo Joey de Leon, was allegedly responsible for kidnaping Mrs. Zenaida Mendoza of the Manila Steam Laundry.

NDF Accuses Government of Fostering Crime Wave

HK2901145593 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 29 Jan 93

[Text] The National Democratic Front [NDF] has accused the Ramos government of expanding its covert operations through the deteriorating kidnap-for-ransom situation and other crimes in the country.

In a statement released by NDF Secretary-General Frank Fernandez, the NDF said the worsening criminality was intended to create favorable public opinion to launch fascist laws and government policies.

Fernadez also said the escalation of criminality is a Ramos administration tactic to divert the people from the planned new taxes, the energy crisis, and corruption in the government.

In the statement, Fernandez also accused National Security Adviser Jose Almonte of being behind the covert operations.

NDF Rejects Proposal To Exclude Exiled Leaders

HK0502055193 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 4 Feb 93

[Text] Satur Ocampo, former National Democratic Front [NDF] spokesperson, has rejected National Unification Commission advisory council member Luis Taruc's suggestion to remove exiled communist leaders Jose Maria Sison and Luis Jalandoni from the peace negotiations. According to Ocampo, the NUC and the government are not the ones to decide who will represent the NDF during the talks. He said Taruc's statement may have been a move to discredit Sison, who is currently serving as consultant to the Communist Party of the Philippines [CPP].

Taruc earlier said that Sison's lack of credibility was an obstacle to holding formal negotiations with the rebels, and hence it would be better for the government to hold talks with the CPP's local leaders.

Central Bank Carries Out Debt-to-Equity Swap

HK2801045593 Quezon City MALAYA in English 28 Jan 93 p 9

[Text] The Central Bank [CB] last Tuesday successfully swapped $100 million of CB debts for equity in local companies and projects.

The CB paid an average of 62 percent of the original debt it assumed to winning participants who invested the amount in local companies.

This means that $62 million or P1.6 billion [Philippines pesos] in fresh equity was invested in 33 corporations chosen by the investors.

More Filipinos took advantage of the debt to equity swap compared with foreigners.

Last Tuesday, there were 105 bids aggregating at $139.685 million. The bids swamped the scheduled auction of $100 million, which were all sold.

Last Tuesday's auction was the sixth auction conducted by the Central Bank for the right to use CB convertible debt under Circular No. 1267.

The auction marked the resumption of the debt-to-equity conversion program as a means of attracting long-term equity investments in priority projects and reducing the country's foreign debt stock at a substantial discount after the program was suspended for ten months pending the completion of the Brady Bond exchange which finally took place on December 1, 1992.

The auction amount of $100 million was awarded in full.

Out of the 48 prequalified applicants, 35 participated in the said auction. A total of 105 bids aggregating $139.685 million was received. Several split bids were tendered for various projects.

Eighty six tenders with bid prices which ranged from a low of 60.75 percent to a high of 64.75 percent were accepted from investors proposing to invest in 33 Philippines enterprises that are engaged or proposed to engage in preferred areas of investments, particularly investments in export oriented firms (53 percent), energy-related enterprises (42.42 percent) and those engaged in agriculture as defined in the Investment Priority Plan (4.58 percent).

The weighted average bid price of the winning bids is 62.419 percent. Thus, the average Central Bank share based on the face value of the CB debt paper to be surrendered is 37.581 percent.

Central Bank Reports Banking Industry 'Healthy'

HK0402034593 Manila MANILA BULLETIN in English 4 Feb 93 p B-1

[Text] The Central Bank [CB] said yesterday the banking industry is on much sounder financial footing, citing its expanded capitalization base. CB Deputy Governor Feliciano Miranda said that another indicator that the banking system is "very healthy" is the lower level of past due ratios on loans outstanding.

From a high of 10 to 11 percent about five years ago, the past due ratio has gone down to only six percent in 1992 as the aggregate/combined resources of 32 operating commercial banks hit P609.1 billion [Philippine pesos] as of end-November the past year from P591.4 billion in 1991, or reflecting an expansion of P17.7 billion. "This is a big improvement. The financial health of the banks is growing," Miranda said.

One factor which contributed to the clean bill of health of the banking industry is the successful implementation of the Countryside Financial Institutions Enhancement Program by which 80 rural banks have been saved from financial distress through the assistance of CB and the Land Bank of the Philippines.

However, Miranda indicated that CB has been closely "monitoring" the steady increase in the loans of commercial banks in property development projects. Statistics showed that the bulk of the loan portfolio of commercial banks in the past couple of years had been captured by corporations largely involved in the construction and property development.

CB data indicated that from January to August last year, total loans granted by commercial banks amounted to P694.352 billion of which P9.434 billion was borrowed by companies in the construction business. On a year-on-year comparison, the January to August 1992 level soared by 24.26 billion as against the P7.592 billion loaned to firms in construction business out of the aggregate P531.089 billion loan granted in 1991.

However, CB statistics is vague on how much of the funds captured by the firms in construction business, particularly those involved in the erection of high-rise buildings. According to Miranda, with the current glut in the construction of high-rise building there might come a time when it would be saturated, which may lead to loan defaults.

Ramos Approves Subic as International Port

HK0102054193 Manila BUSINESS WORLD in English 1 Feb 93 pp 1, 5

[Report by Maricar S. Bautistad and Willy G. Reyes]

[Text] Subic—President Ramos yesterday approved the proposal to turn the Subic Free Port Zone in Zambales into an international port of entry.

The President has authorized the Subic Bay Metropolitan Authority (SBMA) to set up customs, immigration and quarantine offices here.

In a briefing for the President, SBMA chairman and Olongapo City Mayor Richard Gordon complained the tourists, especially those from Taiwan, are wary of coming to Subic because of demands made by Customs and Immigration officials in Manila that they pay beyond the duties required of them by the law. "This does not make us look good to them," he said.

Mr Gordon said the free port zone is not yet an export processing zone. It has no factories to be leased to investors. He, however, said now is the time to take advantage of the recreation facilities left behind by the Americans.

Mr Gordon reported more tourists are coming in with the "no visa requirement for 14 days" policy which was recently approved by the President and the Cabinet. He said tourists will be coming in bigger numbers once Subic is turned into a port of entry.

Mr Gordon said Subic's shooting ranges, golf course, horse-back riding area and other recreational facilities are attracting tourists into the zone.

Mr Gordon also admitted the perceived deterioration of peace and order nationwide has hurt Subic's foreign investment prospects.

In a separate dialogue with newsmen at the defense department in Camp Aguinaldo, Mr Gordon said he could not isolate Subic's image from the national scene. "We cannot divorce ourselves from the problems of the entire country," he said.

A Philippine National Police report last December ranked Olongapo City 54th in a list of 61 major cities in terms of average monthly crime rate (AMCR). This city registered an AMCR of 7.71 compared with the national AMCR of 12.85.

In contrast, four cities and municipalities belonging to the National Capital Region fared poorly, with AMCRs way above the national average. Manila ranked 17th with a 26.36 AMCR; Quezon City ranked 29th with a 17.13 AMCR. Makati ranked 31st with a 16.55 AMCR and Caloocan ranked 34th with a 15.60 AMCR.

Mr Gordon supported the national leadership's call for citizens to participate actively in Government's anti-crime campaign. "This is asked by investors," Mr Gordon said. "They like to go to Subic, perhaps because they perceive there is peace and order there. But there can only be genuine peace and order if people will cooperate with the authorities.

"The most important thing to do now is for the entire country to get together and help the authorities to fix up this problem so that we can get investments to come in. Then, employment can be generated."

Unless both Government and citizens put their act together to present a more attractive investment climate, he said the country will lose out to Vietnam and Mainland China, despite Filipino labor's continuing competitiveness. "We are in stiff competition with Vietnam and China. So we can probably go down in rentals and in employment. But I am not ready to trade off our employment salaries, because I think we are highly skillful and should really get those companies that are interested in availing of our skills."

He gave the example of Taiwanese investment which he had expected to set up an export processing zone within the former American naval base. "The deal with the Taiwanese was supposed to give us our export processing zone, where you have a series of factory buildings side by side with each other. We don't have that right now. When you build factories, you create jobs. That means carpenters, masons, that means the construction business will pick up."

He said the SBMA would carefully screen potential investors. "Subic's thrust is light industry and anti-pollution. We don't want any polluting industries here. Subic will remain clean. We are going to be the authority insofar as environmental requirements are concerned," he said.

Israel Offers To Send Burn Experts

HK0502061293 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0400 GMT 5 Feb 93

[Text] Israel is prepared to send experts on skin burns to the Philippines. Health Secretary Juan Flavier will meet with doctors from the Jose Riyadh Memorial Hospital to consult them on Israel's offer to send Israeli doctors who are experts on burn surgery. Secretary Flavier said the Israeli ambassador visited him and assured him that the Israeli Government is ready to assist Philippine doctors with surgery on victims whose skin was badly burned in the volcanic eruption. Many victims have died due to serious skin burns.

Secretary Flavier earlier expressed concern over the lack of Philippine burn surgery specialists. He said that serious burn victims are in critical condition and stressed that the Israeli doctors' expertise in this field has been tried on the victims of the wars their country has experienced in the past.

Garments Exports to UAE Reach $100 Million

HK0302082093 Manila THE MANILA CHRONICLE in English 3 Feb 93 p 11

[Text] Garment exports to the United Arab Emirates (UAE) hit $100 million for the first time last year, pushing the Middle East country to the top of the Philippines' list of leading non-quota markets.

Garment and Textile Export Board (GTEB) Executive Director Aurora Ma. F. Timbol said exports to the UAE in 1992 fetched $99.8 million, a 93.70 percent increase over 1991.

Based on the 1992 export figures, the UAE is now the Philippines' third-biggest garments market after the U.S. and West Germany, both of which are quota countries.

Timbol said exports to the UAE also registered the biggest growth rate among the country's major garment markets.

She said exports to non-quota markets during the period under review totalled $480.2 million, a $127.8-million or 36.28 percent increase over the previous year, or 1991.

This compared favorably with the 10.88 percent increase in exports to quota markets led by the U.S. and the European Community.

Exports to Japan, another non-quota market, reached $91.5 million compared to $75 million in 1991, or an increase of 21.90 percent.

Hong Kong, the country's third-biggest non-quota market, accounted for $86.7 million compared to $57.8 million in 1991, or an increase of 49.88 percent.

The other major non-quota markets and their imports were: Panama, $46.4 million; Curacao, N.A., $19.3 million; Saudi Arabia, $15.6 million; Australia, $14.3 million; Chile, $12.2 million; Singapore $11.4 million and Mexico, $8.4 million.

Jan-Oct 1992 Balance of Payments Shows Surplus

HK0502063093 Manila MANILA BULLETIN in English 5 Feb 93 p B-1

[Text] The country's balance of payments (BOP) for the first 10 months of 1992 posted a surplus of $305 million, sharply down by 64.1 percent from the $850 million recorded in the same period in 1991.

Latest statistics released by Central Bank [CB] yesterday indicated that the slack in non-monetary accounts, which include the country's availments of long-term loans and foreign investments, accounted for the substantial drop in the BOP surplus.

However, the BOP could have been $962 million in deficit if not for the rescheduling of some of the country's foreign indebtedness with Foreign commercial bank creditors in May last year.

The country reached an agreement with the commercial bank creditors for the rescheduling of some $4.2 billion loans, part of which was the redemption of around $12 billion old Philippine debt notes at a discounted rate last May 1992.

For the $1.2 billion face value of old Philippine debt instruments tendered by 74 participating bank creditors, the Philippines dipped into CB's gross international reserves for some $681 million.

As can be gleaned from the CB data, availment of long term loans dropped by more than a hundredfold with total inflow of loans amounting to $3.097 billion while dollar outflow amounted to $3.238 billion, exceeding total loan disbursements to the country by as much as $141 million.

Another factor that contributed to the drop in the BOP surplus for the period in review was the unexplainable errors and omissions recorded under the non-monetary accounts.

From a low of $115 million in 1991, errors and omissions soared by $184.75 million to $327 million from January to end October 1992.

While CB has been silent on what factors which have led to the increase in the level of errors and omissions for the first ten months of 1992, the spate of kidnapings of some of the family members of prominent businessmen might have caused the unexplained capital flight.

On the other hand, current account transactions, particularly, the performance of the country's imports exceeded exports.

The mechandize trade gap further widened to $3.914 billion, up by more than 45.99 percent, from the 1991 level of $2681 billion.

The volume of imports further climbed to $11.913 billion compared to total exports of $7.999 billion for the first ten months of 1992.

For the month of October 1992, the overall BOP position stood at a deficit of $20 million, a complete turnaround from a $192 million surplus posted in the same month the previous year.

Poor performance of the country's exports as against imports likewise was recorded.

Thailand

'Hundreds' of Illegally Cut Logs Seized

BK0502025793 Bangkok BANGKOK POST in English 5 Feb 93 p 3

[Text] Tak—A combined task force of Forestry Department officials and Border Patrol Police yesterday seized hundreds of logs illegally cut in a national forest reserve in Mae Ramat District.

The task force found that almost 500 rai in the Mae Ramat National Forest Reserve located near the Thai-Burmese border, had been encroached upon and hundreds of trees cut down.

The encroachers, who managed to escape the arrest, have reportedly cleared the forest land and built up fences surrounding the encroached areas.

Chief of the Tak forest protection unit Somsak Saenchaisri said the encroached area is adjacent to a plot of land owned by a local politician.

Mr Somsak said influential people were behind the forest encroachment because they want to sell the land to a businessman from another province.

The seized logs will be handed over to the Forest Industry Organisation for removal.

An order signed by Tak Deputy Governor Pratip Ngamnin on January 18, stated that those found guilty of cutting restricted trees, encroaching on forests and starting forest fires will face a jail term of 20 years and a fine of 200,000 baht.

Chuan: Rumors Constitute Overthrow Attempt

BK0502024993 Bangkok THE NATION in English 5 Feb 93 p A1

[Text] Prime Minister Chuan Likphai yesterday decried the current rash of political rumours as an attempt to overthrow the government, while New Aspiration Party leader Chawalit Yongchaiyut reaffirmed his allegiance to Chuan after an opposition party dubbed him, a premiership alternative.

"The rumour mongers intend to oust the government as soon as possible," Chuan told reporters at Government House. "They never consider how such rumours can affect the economy."

Government leaders spent much of the week trying to quash rumours about an imminent Cabinet reshume and House dissolution, which came in the face of mounting tension between Chuan's Democrat Party and the Social Action Party.

Chuan did not blame any specific group, but asked the media not to pay too much attention to unfounded speculation.

"Sometimes reporters pick up rumours and play them up just for fun despite the fact that certain rumours contain not even the slightest shred of truth. After publicizing the rumours, reporters will ask for comments from 'sources', forcing the government to make denials," the prime minister said.

"This is a difficult situation. In a democratic society everybody has the right to speak. I just want to urge the media not to listen too much to the rumours."

The latest rumours, that Chuan may soon dissolve the House of Representatives, coincided with what appeared to be a psychological offensive of the opposition.

On Wednesday, Ratsadon Party leader Chaiphak Siriwat praised Interior Minister Chawalit and hinted strongly that the New Aspiration Party would defect to the opposition soon to form an alternative government.

Chawalit is a good and capable man, but his opportunities to serve the country are rare, "like a good sword that has yet to be sharpened", said Chaiphak, the Ratsadon Party's only sitting MP.

Chaiphak also claimed the Social Action Party, whose leader Montri Phongphanit has lashed out bitterly at the Democrats, may join the opposition as well.

Montri, one of the 10 politicians appealing against summary post-coup corruption sentences brought against them by a military-installed committee, charged that Chuan's party had intentionally stirred a debate on the political future of "unusually rich" politicians in order to preempt any possible demand on his part for a Cabinet post.

Chawalit was quick to snub Chaiphak yesterday.

"I've never thought of becoming prime minister. I prefer my current status," Chawalit chuckled yesterday.

"Prime Minister Chuan is a very good man ... I still love this government with all my heart," he added.

He said the Opposition had tried often to woo him to become prime minister since the Sept 13 election.

NAP spokesman Chaturon Chaisaeng yesterday said if the NAP wanted to be the core party in a coalition it would have joined the Opposition after the Sept 13 general election when Chawalit had a chance to be premier. He said the NAP had turned down the opposition's offer because the public wanted the parties that fought together in last year's pro-democracy uprising to stick together.

Chaiphak's remarks were also dismissed by other major opposition parties as his personal opinion and inconsequential.

"We can't prevent him from expressing his personal opinion," Deputy Chat Thai Party leader Watthana Atsawahem said, adding that the Opposition would help the government survive its four-year term unless it created trouble for itself.

Chat Phatthana Party leader Chatchai Chunhawan said the dissolution rumour was "pure speculation", but hastened to add that he would be ready to run if there was a fresh election.

Deputy Chat Phathtana Party leader Pancha Kesonthong said his party would never support an outsider such as Chawalit as premier.

He also said it was unlikely the Chuan government would face any critical problems in the near future, even though it had not turned in an outstanding performance to date.

Pancha insisted that rumours of a possible dissolution of Parliament had come from the coalition parties and had not been spread by the Opposition.

However, Chat Phatthana Party secretary general Prachuap Chaiyasan, who defected from the Democrat Party before the Sept 13 election, predicted there would be a Cabinet reshuffle if Chuan did not dissolve Parliament.

Prachakon Thai Party leader Samak Suntharawet said the Opposition parties had not reached any agreement at all to nominate Chawalit for the top job.

Samak said the Opposition did not want the prime minister to dissolve Parliament, and suggested some politicians had spread the rumours simply to test the the prime minister's reaction.

Social Action Party spokesman Phiyanat Watcharapon, normally a controversial critic of the government, also denied that his party would defect to the opposition.

"I insist that the Social Action Party pursues its political work openly," he said. "We're ready for a talk if there are any problems in the coalition. The government can trust our party."

Phiyanat said anyone who knows the Social Action Party would have also known that his party had never stabbed anyone in the back.

"Those who are dissatisfied with our party can come out to fight with us," he challenged.

Phiyanat said he would continue to maintain his role as a "mirror reflecting the government's performance".

"If I had changed my present role that would suggest that I was already bought by the government," he said adding that the government would collapse if it was unwilling to listen to criticism to improve its perfommance.

Stingray Tanks Develop 'Technical Problems'

BK0402010993 Bangkok BANGKOK POST in English 4 Feb 93 p 1

[Text] Almost half of the US Army manufactured Stingray tanks used by Thai cavalry units have developed mechanical problems or cracks in the gun turret, Thai Army spokesman Col Phalangkun Klahan admitted yesterday.

The spakesman said of the 106 Stingray tanks purchased from the US government 44 had technical problems while six others now have cracks in the gun turret.

Col Phalangkun said Army chief Gen Wimon Wongwanit was concerned with the problem which has been reported in some newspapers and might cause confusion among the public.

The colonel claimed no army officer had made any personal gain from the purchase of the Stingray tanks during the office of former army chief Gen Chawalit Yongchaiyut some five years ago. The delivery of the tanks took place during former army chief Gen Suchinda Khraprayun's tenure.

"The purchase was made in accordance with rules and regulations set by the Prime Minister's Office," explained the colonel, adding that a army special committee had been set up at the time to handle the purchase and "no one could have influenced the committee's decision."

He said the army spent more than 4,000 million baht on the tanks which have been deployed in the army's cavalry divisions based in Khon Kaen and Saraburi

However, a senior cavalry officer said yesterday that the army had been warned before the purchase that the tanks could develop technical problems.

"The model is a prototype which has never been used in combat. They (the manufacturer) used our army as its testing ground for its product," the officer said.

'Suspicions' About Tank Deal Revived

BK0502031193 Bangkok THE NATION in English 5 Feb 93 pp A1-A2

[Text] The Army's admission that cracks have been found in 44 of its Stingray light tanks, worth about Bt [baht] 1.7 billion, has revived six-year-old suspicions of irregularities in the controversial purchase of 106 of the tanks for a total of Bt4.1 billion.

Some of the military's top brass and Interior Minister Chawalit Yongchaiyut, who was army chief when the arms deal was signed in 1987, rushed forward yesterday to repudiate suspicions which have haunted the Army since they made recurring headlines in late 1987.

Chawalit, Defence Minister Gen Wichit Sukmak and Deputy Army Chief Gen San Sripen said the arms deal, which was approved in September 1987, was made strictly according to government regulations.

A series of articles in, the Thai-language business daily Puchatkan this week quoted unidentified military sources as saying that about 40 of the light tanks had developed cracks.

The articles suggested that irregularities or "special favours" might have been behind the purchase of 10 Stingrays for 8t4.1 billion under a five-year budget commitment beginning in 1988

Army Spokesman Col Phalangkun Klahan admitted on Wednesday that 44 of the light tanks had developed cracks but he would not elaborate, saying only that the supplier, US-based Cadillac Gage, had undertaken to repair them free of charge.

They had been used only in war exercises and had never operated in actual battle conditions.

"Each of the three armed forces has its own committee to carefully consider arms deals," Wichit said yesterday.

"In this case, the quality [of the tanks] might not be good [enough]."

The defence minister said the purchasing committees always deliberated carefully before approving a contract.

"I understand how the people would feel [if their tax money was misused]. I'm also a taxpayer. The purchasing panels realize that they are using taxpayers' money," he said.

Interior Minister Chawalit, asked whether the deal involved any "corruption", said the purchase was on made on a government-to-government basis.

"The purchase had been through several stages and committees," Chawalit added. "We finally sought the government's approval."

Deputy Army Chief San initially declined to comment, but when pressed by reporters also said each arms deal had to pass through several procedures.

He said the Army would be more careful before signing any future arms contracts.

The Army came in for much criticism when it proposed buying the Stingrays in mid-1987. At the time, the tanks had not been sold to any other country.

Some columnists then suggested that the deal might have been influenced by arms tycoon Nuwaratna Phathanodom owner of Commercial Associates which is an agent of Cadillac Gage.

In November 1987, Nuwaratna denied any wrongdoing and defended the purchase, saying that the tanks were "tiny guys with heavy punches" which were capable of matching other types of tanks.

In December that year the Army also denied allegations that some senior military officials had taken kickbacks in the decision to purchase the tanks.

Military Spending Practices Criticized

BK0502040593 Bangkok THE NATION in English 5 Feb 93 p A6

[Editorial: "Time to put a stop to unbridled military spending"]

[Text] The time has come for us to question military greed and lack of propriety. A couple of the most flagrant abuses with regard to military purchases have been exposed over the past month.

With the end of the Cold War the only possible immediate air threat to Thailand comes from Vietnam, which currently has obsolete American and Russian aircraft. Yet in 1991, the Royal Thai Air Force bought a new squadron of F-16 jet fighters through an agreement between the governments of Thailand and the United States. The Anan I administration under the now-defunct National Peacekeeping Council approved the F-16 procurement in Dec 1991.

Bizarre Transaction

In the middle of last month, it was suddenly disclosed that the Anan government had in fact placed an order for the bodies of 12 one-seater F-16A fighters and six double-seater F-1 6B fighters—minus their engines at a cost of Bt [baht] 10.44 billion. The rationale given for this bizarre financial transaction was that the Thai government at that time had budgetary problems and debt repayment obligations.

The crux of the matter is that the public had been misled into believing that the military was purchasing flyable F-16s to defend the country. That the Air Force would be acquiring engineless ones was never at any moment disclosed to the innocent taxpayer.

The government of Prime Minister Chuan Likphai had no choice but to approve a further forking out of Bt [Thai baht] 3 billion with a debt repayment stretching from fiscal 1994 to 1997—for the 18 F- 100-PW-220 engines, at a time when farmers are suffering from falling paddy prices and urgent funds are needed to alleviate poverty in the provinces.

In 1988, when the Army purchased 106 Commando Stingray light tanks, military experts just cringed. At a cost of Bt4.1 billion, Thailand, they said, was getting a vehicle of dubious strategic value. A bastard cross between a tank and a self-propelled howitzer chassis, no one else in the world had bought it besides Thailand. None of the Stingray parts have national stock numbers and they are not supportable from the military support system, meaning that obtaining spare parts would be next to impossible.

On Wednesday, it was revealed by Army spokesman Col Phalangkun Klahan that 44 of the 106 Stingrays had developed cracks and the US-based supplier, Cadillac gage, had undertaken to repair them free of charge. The big farce is that the day before, Army Secretary General Maj Gen Chaturit blew hot steam when he lashed out at the press saying: "I'll lay down and let anyone stomp on my face if up to 40 tanks have cracked."

Assurances have been given by the military that under-the-counter payments were never made and commissions not taken with regard to the purchase of the F-16s and the Stingrays. That is really hard to believe.

According to comments in the October 1992 issue of Asia Inc, when an arms manufacturer sells to the Thai military, "it is not what the weapon can do, but how much it can produce in under-the-counter payments". There is a whole nexus from the rank of lieutenant colonel up to the generals who have mastered the art of earning private revenue together with the arms procurers, the agents and the suppliers. The end result is that Thailand pays for inferior quality weapons that are grossly overpriced and make little strategic sense.

Clearly, such aberrant behaviour by a segment of the military, in squandering the people's money, cannot be allowed to go on. Chuan's govemment must protect the interests of the people, and show that it is not reluctant to take any action against such profligacy and corruption carried out in the name of defending the country.

Secret fund

For the first time in Thai military history, an ad hoc House committee reviewing the government budget has suggested that the Office of the Auditor General be empowered to examine the use of the armed forces' secret fund. As a first step in overseeing unbridled military spending, this suggestion has to be taken up seriously by Chuan's administration, despite the fact that the army voluntarily gave up a Bt110-million chunk of the fund before the committee made the proposal.

For the sake of the record, the modern Thai military has never fought a major war. Its combat experience has been rather limited to fighting in the Korean War, the secret war in Laos, and supporting the United States in the Vietnam War. The 1988 war with Laos over Baan Ramkhlao was a disaster, with the Thai military completely humiliated by a logistically inferior Laotian army.

Being accountable to the people has never been one of the military's virtues, and the few black sheep who put their own pockets ahead of considerations of what's best for the country are only perpetuating this sorry state. Let the purchase of the F-16s and the Stingrays be a hideous reminder of how we should never allow the military to have a free reign in determining weapons and arms spending for the country.

Mekong To Be Diverted To Fight Drought

BK0502032993 Bangkok THE NATION in English 5 Feb 93 p A2

[Text] With a severe drought looming in the central region, Thailand is set to defend its right to divert the mainstream waters of the Mekong River for its own consumption during negotiations with other nations sharing the international waterway, according [to] the minister attached to Prime Minister's Office Sawit Phothiwihok.

In an interview with The Nation, Sawit said if the talks succeeded, the project to divert part of the Mekong to the Chao Phaya River plain will finally take off.

Sawit said the Cabinet last week was signed by Foreign Minister Surin Phitsuwan to sign an accord on future cooperation among the countries through which the Mekong runs. They currently include the lower basin states of Thailand, Laos, Cambodia and Vietnam.

Surin is leaving today for Hanoi to sign such an agreement, which would provide guidelines for a working group to be set up later to revise the Mekong River Committee's outdated documents.

The discussion on the revision of the documents will take into account the increasing interdependence of the countries in the region and the possibility of bringing the upper basin countries of China and Burma into the committee.

According to Sawit, the Cabinet has given Surin clear instructions that Thailand must protect its legitimate right to exploit the Mekong River, which forms part of its border.

At the same time he said Thailand would respect the national sovereignty and equity of states on the basis of mutual accommodation.

The minister, who supervises the national committee on water resources said the diversion of Mekong waters has high priority on the government's agenda because Thailand's central region is facing a severe drought, with the Chao Phaya River recording its lowest level during the dry season.

Sawit said the national committee's priority was now to seek an alternate source of water from the international river.

He added that the controversial Kaeng Sua Ten Dam was part of a longstudied extra basin diversion of the Mekong project conducted by the Royal Irrigation Department.

As part of the project, the route for the diversion would be Mekong-Chiang Rai-Kaeng Sua Ten Dam and on to the Sirikit Dam. The aim is to tap the overflow of mainstream waters during the rainy season, to be stored in the reservoir of the Kaeng Sua Ten Dam before being channelled to the Sirikit Dam during the dry season.

The minister defended the plan as not contradicting the basic principle governing the utilization of the Mekong. No riparian state had the right above others to tap the mainstream to the extent that could bring down the flow to a level under the lowest flows ever recorded in its history, said Sawit.

Thailand and Vietnam's year-long squabbling over the revision of the 1957 basic documents and 1975 principle of utilization of the Mekong has blocked the return of Cambodia to the committee.

Those 1957 founding documents and 1975 principles which have been dormant because of the Cambodian departure in 1975 included a set of inflexible rules that could jeopardize Thailand's water resource development in the Northeast as well as the Kaeng Sua Ten project.

One of the rules said projects that involved the extra basin diversion of mainstream waters must be approved by all four countries.

Thailand, Vietnam and Laos later agreed to set up an Interim Mekong Committee (IMC) to work on relaxing the rigid rules, pending the return of Cambodia.

Vietnam, however, claimed that once Cambodia is back, it would mean that the committee will have to use the old documents.

Both however agreed to depoliticize the issue late last year through a series of meetings of the four countries sponsored by the United Nations Development Programme.

The Vietnamese ambassador to Thailand hailed HRH [His Royal Highness] Crown Prince Maha Wachiralongkhon's visit to Hanoi in November as paving the way for an agreement for the future cooperation of the Mekong Committee to be inked today in Hanoi.

Nguyen Trung revealed to The Nation that international cooperation was raised during a conversation between the Crown Prince and Vietnamese President Le Duc Anh.

The ambassador said the Crown Prince referred this matter to His Majesty the King when he returned to Bangkok, which prompted the King to take a look at the current stalemate himself.

The envoy said Foreign Minister Prasong Sunsiri later confirmed that the King showed particular interest in the matter and wanted the issue to be settled.

Government Agrees To Allow Dalai Lama Enter

BK0502035193 Bangkok THE NATION in English 5 Feb 93 p A5

[Text] Deputy Foreign Minister Surin Phitsuwan yesterday said Thailand has agreed in principle to welcome Tibet's spiritual leader, the Dalai Lama, if he accompanies a group of Nobel Peace Prize winners on their trip here.

Surin said Thailand is an open country and is regarded as a regional centre for communications and transportation. "It is not strange for our country to be visited by a religious leader like the Dalai Lama", he said.

"Thailand will be greatly honoured to receive such an important figure," Surin said.

Surin has not yet officially received a letter claiming that Thailand's image would be tarnished if it refused to grant an entry visa to the Dalai Lama.

The Dalai Lama has freedom to travel to any country he desires and Thailand is willing to welcome him as a visitor in line with basic human rights, Surin added.

During the administration of former Prime Minister Chatchai Chunhawan, Bangkok refused to grant an entry visa to the religious leader, fearing that Thai-Chinese relations would be affected.

Surin said he had been earlier informed that the four Nobel peace prize recipients will arrive in Bangkok on Feb 16. It was reported that the number of Nobel laureates had increased to seven.

They are expected to be travelling with members of the Montreal-based International Centre for Human Rights and Democratic Development.

The five-day visit of the group is aimed at pressing the Rangoon govemment to immediately release fellow peace prize winner Aung San Suu Kyi.

The group is scheduled to visit northeastern border provinces to observe Burmese refugees residing there. Burma is also on its travel itinerary, with the Nobel winners hoping to visit Suu Kyi.

Surin said he did not believe that the human rights groups would use Thailand as a platform to intervene in Bumma's internal affairs.

Foreign Minister Prasong Sunsiri has said the Nobel prize winners should be aware of the human rights situation here and should not use this country as a base to interfere in another country's domestic affairs.

Vietnam

Ministry Spokeswoman on MIA's, Mitterand Visit

BK0502115293 Hanoi Voice of Vietnam in English 1000 GMT 5 Feb 93

[Text] Vietnamese spokeswoman of the Foreign Ministry, Mrs. Ho The Lan, says Vietnam highly values and welcomes the decision to visit Vietnam by French President Francois Mitterrand.

Speaking at a regular press conference in Hanoi, Mrs. Ho The Lan said:

[Begin Ho The Lan recording in Vietnamese, fading into English translation] The time-honored ties between the two peoples have [words indistinct] in the recent period [words indistinct] technical cooperation between the two countries has been signed. At present France ranks the third largest country in foreign investment in Vietnam and it is the first country in Western Europe and the fifth country in the world to establish relations with Vietnam. Vietnam hopes the coming visit to Vietnam by President Francois Mitterrand from February 9-11 will further promote relations between the two countries. Vietnam believes the world welcomes this event because it conforms with the current trend of cooperation and development. [end recording]

Regarding the relations between the United States of America and Vietnam, Mrs. Ho The Lan noted that over the past years, the relations had been improved positively. She further said that Vietnam always looks for the better future and is ready to establish relations with the U.S. on the principle of equality, respect, and mutual benefits. These are what Vietnam wants to inform the American people and government about and anyone who's concerned about this issue.

Mrs. Ho The Lan also reports that by 6 January, Vietnam and the U.S. had finalized the cases of 135 American GI's missing in action, who are in the priority list agreed between the U.S. and Vietnam. No evidence has been found to prove that these missing GI's are still living in Vietnam.

Mrs. Ho The Lan maintained that both sides have actively investigated reports that there are some Americans alive in Vietnam. The Vietnamese side has repeatedly asked the U.S. to make public the results of their investigation and we believe that it's time for the U.S. to make a move on this issue.

Economic Conference With Japan Opens in Hanoi

BK0402144793 Hanoi VNA in English 1404 GMT 4 Feb 93

[Text] Hanoi VNA Feb. 4—A joint Japanese-Vietnamese economic conference, the first of its kind, was opened here today.

Attending the conference, on the Vietnamese side, were Vice Premier Tran Duc Luong, minister and head of the State Planning Committee Do Quoc Sam and officials of the ministries and services concerned. On the Japanese side was a more than 120-strong delegation of the Japanese-Vietnamese economic committee of the Japan Federation of Economic Organizations (Keidanren) led by Akira Nishio, chairman of Nissho Iwai Company and chairman of the committee.

Japanese ambassador to Vietnam Hiroyuki Yushita and several officials of the Japanese Government are also in attendance.

In terms of trade, Japan has become one of the biggest partners of Vietnam with two-way trade turnover in 1992 totaling 1,250 million US dollars, accounting for 25 percent of Vietnam's trade turnover.

The conference is a new and important development in the trade and economic ties between the two countries.

KYODO Reports Conference

OW0402093193 Tokyo KYODO in English 0847 GMT 4 Feb 93

[Text] Hanoi, Feb. 4 KYODO—A two-day economic seminar between a visiting delegation from the Japanese federation of economic organizations (Keidanren) and Vietnamese authorities opened here Thursday.

The Keidanren delegation, headed by Akira Nishio, president of Nissho Iwai Corp., is the biggest Japanese economic delegation ever to visit Vietnam, with 120 repreeentatives from leading companies in various fields.

The seminar, the first organized by Keidanren in Vietnam, has drawn the participation of 160 Vietnamese government officials.

The seminar will deal with the problems that bar direct Japanese investment in Vietnam, which Nishio said plays a vital role in the development of bilateral relations.

"We would like the Vietnamese authorities to take into consideration those problems and the role of direct investment," Nishio said.

The Japanese delegation is scheduled to leave Hanoi on Saturday.

Ho Chi Minh Party Organization Holds Plenum

BK0402145793 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 3 Feb 93

[Text] The Executive Committee of the Fifth Party Organization of Ho Chi Minh City held its sixth plenum on 29 and 30 January and 1 February. Attending was, among others, Comrade Nguyen Van Linh, adviser to the Party Central Committee.

The plenum discussed and issued a resolution on the city's socioeconomic tasks for 1993 and reviewed the city party committee's leadership since the fifth congress of the city party organization. It also voted to pass all the major targets of the city's socioeconomic plan for 1993.

This year Ho Chi Minh City will increase its gross social product by 9 to 11 percent, national income by 8 to 10 percent, value of industrial output by at least 14 percent, value of agricultural output by at least 3.5 percent, and export value and other services with revenues in foreign currencies by more than 20 percent.

HCMC Party Member Expelled for Corruption

BK0502120393 Hong Kong AFP in English 0839 GMT 5 Feb 93

[Text] Hanoi, Feb 5 (AFP)—Ho Chi Minh City's [HCMC] Communist Party has expelled one of its ranking members for taking bribes, trafficking heroin and failing to show repentance, Nguoi Lao Dong (The Worker) newspaper reported.

Le Quang Truong was accused of accepting gold and a motorbike in return for deferring debts while he was director of finance for the southern city, the paper said in a February 1 article seen here Friday.

Demoted director of the taxation department, he allegedly sold 53 kilograms (117 pounds) of heroin confiscated by his director to a local drug store closely connected to his family.

Truong was the first member of the city's communist party organization to be expelled, Nguoi Lao Dong said. He was accused of "failing to be earnest in admitting his mistakes and defects, losing the prestige and integrity of a member of the party."

The Vietnamese Government, worried at the damage to the economy and the ruling party's prestige caused by endemic corruption, has vowed to impose stiffer penalties against corrupt officials.

Tran Quang Co Views 'New Trends' in World

BK0202111193 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 21 Jan 93

[Article by Deputy Foreign Minister Tran Quang Co: "New Trends in International Activities and Prospects of the Development of the Asia-Pacific Region"]

[Text] The disintegration and rapid crumbling of socialism in East Europe and the Soviet Union have effected a fundamental change in the world situation and the world's politico-economic life, creating a host of important and fresh new political, economic, military, ideological, and theoretical problems.

The balance of power which has taken shape since the end of the war between the two rival political and social systems and since the end of World War II coupled with the results of the Gulf war has created a temporary political advantage for the United States. The United States has become the sole superpower with the most powerful military. Faced with this situation, the public has been worried about the U.S. design to establish a unipolar world order. However, facts over the past nearly a year show that there could not be a U.S.-manipulated unipolar world order and the multipolar world order has also not taken shape.

The world is in a period of transition. This period will last at least for a number of years because factors that can create a new world order are still changing.

The gathering of forces in the world in general and in various regions in particular are undergoing changes in a way much different from what it was before. It is possible that many multilateral and bilateral relations have been preoriented although they have not yet taken shape. In such a situation, international relations have become dynamic, animated, and more complex. Earlier, the greatest concern in international relations was ideological similarity. Today, with the cold war already over, the bipolar world order has disappeared while a new world order is still in the process of taking shape. The gathering of forces in the international relations are taking place in a very diverse and animated fashion. It depends mainly on the similarity of national interests in each issue and at each moment and in each area. International relations with the participation of over 100 independent nations with coveted interests have become very complex.

All the countries are readjusting their foreign policies in the direction of giving priority to requirements for carrying out economic development and diversifying international relations. They are achieving cooperation with and struggling against various opponents with the purpose of creating for themselves a more advantageous position.

In today's international relations, the following new trends have emerged:

—The first trend is to give priority to economic development. This trend is attracting the whole international community, including developed industrialized countries and developing countries. This economic factor is having an increasingly important position if we do not want to say that it occupies the leading role in today's international relations.

—The second trend is to diversify foreign relations of all countries, especially those which have so far limited their foreign relations within certain targeted areas. This has become a pressing objective demand of the new situation under the tremendous influence of the scientific and technological revolution and has led to the interdependency between nations on the basis of approaching internationalization. This has promoted broadened international relations with any countries with effective cooperation potential irrespective of their different political and social systems. The form and the extent of relations have become very flexible.

—The third trend is to strengthen regional cooperation. This trend stems from the economic race and tough competition in the universal life. In Europe, 12 countries in the European Community and other countries in the European Trade Association have signed an agreement to set up the European economic bloc to increase its competitive power with the United States and Japan. Japan is trying to gather forces in Asia and inspiring the idea of using the Yen currency in the Asia-Pacific region. Meanwhile, the United States is trying its best to set up the North American free-trade zone grouping the United States, Canada, and Mexico and is attempting to expand its influence toward the western Pacific Rim.

After nearly 20 years of activities mainly for political purposes, the 1 January 1992 ASEAN summit passed a resolution to set up a free-trade zone by the year 2013. It is expected that in the future, Southeast Asia will provide the world a good model in regional cooperation for security and development between small and medium countries.

These trends have become clearly visible in the international relations in the Asia-Pacific region—the most dynamic economic region at present, notably the Northeast Asia and Southeast Asia. This region is leading the world in the pace of development. The value of its gross national product as well as that of its trade volume compared with other regions in the world shows a fast increase over the past two decades. The emergency of new industrialized countries in Asia, the initial yet important results achieved by China in the process of reform and door-opening, and the tremendous development potential of various Southeast Asian countries have lead to an energetic prediction that the 21st century will be the century of Asia and the Pacific.

After the crumbling of the Soviet Union, the prospects of peace and development of Asia in general and of the Asia-Pacific rim region in particular now have been heavily influenced by relations among the three big countries in the new strategic triangle—the United States, Japan, and China.

In view of the completely-changing world situation, these three countries are readjusting their strategies and from there, the important role of the strategic triangle in the relations between the U.S. and China, Japan and China, and U.S and Japan will be gradually strengthened.

As for the United States, while focusing its attention chiefly on its internal issues, it does not have any intention to give up its world leading role. Its goal remains unchanged and there are only changes in its measures and means of operations. The U.S.-Japanese relations have been readjusted in this spirit. Although the United States has dismantled all its military bases in the Philippines, all the commitments under the mutual defense treaties between the United States and the Philippines and between the United States and Thailand in Southeast Asia and between the United States and Japan and South Korea in Northeast Asia continue to be maintained.

Unlike the United States, China seems to direct all of its efforts toward the outside to create favorable conditions for carrying out its economic construction and development at a high pace—over 10 percent per year between now and the year 2000.

China has extensively expanded its foreign relations with all countries in the world ranging from the ASEAN countries, republics of the former Soviet Union, and South Korea to such far-away countries as Israel and South Africa. China is ready to become a competitor to various Western economic organizations. Recently, it has approached the Nonaligned Movement seeking observer status.

In face of the new world situation, Japan has readjusted its strategy in the direction of enhancing its political role as well as the military role to suit its economic strength, while striving to maintain the U.S.-Japan allied structure. Japan has upgraded its relations with the United States from the dependent position to an equal footing by integrating its economic and financial strength with the U.S. politico-military might in an attempt to share responsibility to resolve issues in the world, especially in the Asia-Pacific region. Japan has adopted a foreign policy of improving and expanding relations with East Asian countries including Vietnam, contending that this region has great potentials to serve the Japanese economy.

Talking about factors affecting the Asia-Pacific region in the future, people tend to mention big nations and ASEAN, the great potential organization whose members have scored remarkable economic achievements. It is also the organization that has established a regional cooperation mechanism with great vitality and the organization that maintains its unanimity in various regional and global issues. In the new situation, ASEAN seemed to have more confidence in dealing with bigger countries and in promoting cooperation relations with the United States, Japan, and EC, while trying to avoid tying itself to any superpowers. On the contrary, the superpowers seemed to respect ASEAN viewpoints when they make decisions to resolve issues in the region.

It is quite certain that Southeast Asia, in the near future, will be able to optimally develop its potentials and roles in the politico-economic life of the Asia-Pacific region and the world. ASEAN will be able to strengthen its comprehensive cooperation with the rest of Southeast Asia including Vietnam. People contended that the building of Asia into a single bloc is a welcoming event. This is because it will help to strengthen stability and promote long- lasting development in the region and the world.

Do Muoi Visits, Addresses Journal Staff

BK0402081393 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 3 Feb 93

[Text] On 3 February, General Secretary Do Muoi paid a visit to the office of the TAP CHI CONG SAN journal and attended a cordial meeting organized by the journal to commemorate the 63d founding anniversary of the Communist Party of Vietnam [CPV].

Accompanying the General Secretary were comrades Nguyen Duc Binh, member of the CPV Central Committee Political Bureau; Ha Dang, member of the party Central Committee and chief of the party Central Committee Ideology and Culture Department. Also attending this meeting were many leaders of Party Central Committee Specialized Agencies, theoretical research institutes, party schools, representatives of party committees of the bloc of central organs for ideological work, members of the Vietnam Journalist Association's Secretariat, newsmen and veteran writers from mass media agencies, and cadres and personnel of the TAP CHI CONG SAN.

Comrade Nguyen Phu Trong, editor-in-chief of TAP CHI CONG SAN reported on the activities of the journal in 1992 and its orientations and tasks for 1993. He said: Thanks to efforts by the staff of the journal in improving the contents, quality, forms, and distribution during the past year, the journal's circulation has increased gradually and reached nearly 40,000 copies in late 1992.

In 1993, the journal intends to further improve its forms and contents with emphasis given to the theoretical and practical issues which are of keen interest to the readers.

In the atmosphere of cordiality, General Secretary Do Muoi delivered a speech stressing the significance and urgency in enhancing the theoretical and educational quality of TAP CHI CONG SAN. He said: Our party has always attached importance to research and theoretical education. Implementing the decision of the conference to establish the party in August 1930, the provisional party Central Committee published the TAP CHI DO (RED Journal). Afterward, the party Central Committee published the TAP CHI LY LUAN (THEORETICAL Journal) despite numerous difficulties during the period of covert operation. The journal was named TAP CHI CONG SAN in 1931, BOLSHEVIK in 1934, renamed TAP CHI CONG SAN in 1943-50, SINH HOAT NOI BO (Internal Activities) in 1947 [year as heard], then HOC TAP, and finally TAP CHI CONG SAN again from 1975 to the present.

In recent years, participating in implementing the renovation undertaking, TAP CHI CONG SAN has made encouraging progress. The journal has helped to propagate and extensively disseminate various fundamental concepts of the Sixth and Seventh CPV Congresses; the resolutions of the Party Central Committee, the Political Bureau, and the Secretariat; and various key lines and policies of the party and state. The journal has also applied Marxism-Leninism and Ho Chi Minh Thought to analyzing various pressing theoretical and practical issues of the Vietnamese revolution. It has fought against erroneous concepts and negative phenomena in the socioeconomic life, defended Marxism-Leninism and the party lines and concepts, helped to strengthen unity within the party and among the people, contributed to enhancing the people's confidence in our system and enriching the readers' political background. The journal has published many useful articles on practical experiences and new factors in various domains; some of them are highly valued research articles. The journal has also improved its contents, published more useful articles with compact details, enhanced the quality of printing and layouts, and maintained its consistent publishing schedules. I highly commend you, comrades, for your efforts and achievements during the past period. However, we must strive to realize our shortcomings in order to overcome them. I would like to say that the journal still has some shortcomings, especially in the theoretical and educational fields. There are still too few articles reviewing the reality and discovering new factors in various domains. Efforts to criticize erroneous concepts and deviated thoughts have not been promptly and effectively made.

After reviewing the results achieved by our party and people in the renovation undertaking as well as the difficulties and ordeals in the days ahead, General Secretary Do Muoi pointed out a number of very significant requirements for the theoretical work. He said: It can be said that the theoretical work is facing an unprecedentedly difficult situation at present, while opportunities are ample for people to creatively contribute their efforts to this task. To implement and develop the party renovative line, we must strive to study and understand various fundamental issues. The ideological and theoretical struggle is being carried out seriously in the new situation. The Party Central Committee Political Bureau has issued resolution no. 01, pointing out key orientations for the theoretical work at the present stage. This resolution will serve as a basis for correctly resolving practical issues at home and abroad.

As a politico-theoretical journal of the party Central Committee, TAP CHI CONG SAN is dutybound to positively participate in carrying out these tasks. The journal duties are to monitor the people's daily life, review development of social issues, promote the application of Marxism-Leninism and Ho Chi Minh Thought in the new situation, contribute to propagating and disseminating the party lines and the state laws and policies, and enrich the Vietnamese theoretical treasure.

Immediately, the journal must strive to continue to promote the building of practical theories, disseminate resolutions of the Seventh CPV Congress and those of the party Central Committee Second, Third, and Fourth Plenums, while striving to participate in making preparations for the party conference of all delegates and the Eighth CPV Congress.

At present, the readers' demands are high. As a result, the journal must strive to enhance its capabilities to meet these requirements. The journal's attractive nature is that it can effectively and rationally present scientific theories to resolve various issues raised by its readers, while encouraging democratic discussion to enhance the people's intelligence and contribute to promoting the study of theories which are aimed at making a thorough understanding of the party lines and policies and developing the revolutionary theory.

The journal must strive to renovate its contents and forms, to enhance its quality, and to promote its dynamism. To fulfill these heavy tasks, the journal must pay special attention to educating and fostering its contingent of cadres to help them enhance their capabilities in performing the assigned tasks. Cadres who work for the party newspapers and journals of the Party Central Committee must have a firm political background, are absolutely loyal to the party ideals and objectives, and are ready to serve the people's revolutionary cause. They must acquire a high educational standard, have a vast knowledge in various domains, and be dynamic in their professional skills. The journal must also strive to promote and increase the number of its contributors, adopt a policy to encourage and attract competent writers in various fields. Members of the CPV Central Committee should consistently contribute their ideas and articles to the journal. Various echelons of the party must formulate plans to organize and to lead in the reading of the journal. Party organizations must strive to quickly assist and to promptly resolve various difficulties and obstacles faced by the journal in its operation.

Le Duc Anh Receives AIPO Delegation

BK0402144393 Hanoi VNA in English 1401 GMT 4 Feb 93

[Text] Hanoi VNA Feb. 4—President Le Duc Anh received here yesterday the visiting delegation of the ASEAN Inter-Parliamentary Organisation (AIPO) led by Tan Sri Datuk Mohamed Zahir, AIPO president and chairman of the House of Representatives of the Malaysian Parliament.

Also present at the reception were Vice Chairman of Vietnam's National Assembly Phung Van Tuu and the ambassadors or representatives of the Embassies of Malaysia, Indonesia, the Philippines, Singapore and Thailand in Vietnam.

At the reception, President Le Duc Anh stressed that the Vietnamese National Assembly and people will do all they can to contribute to promoting the good relationship with AIPO as well as with the parliaments and people in the ASEAN countries in order to build Southeast Asia into a peaceful, stable and developed region.

For his part, Tan Sri Datuk Mohamed Zahir said that AIPO and the parliaments of the ASEAN countries will promote their cooperative activities with Vietnam's National Assembly in order to actively contribute to building a peaceful and prosperous Southeast Asia in the interests of each country.

Seminar Marks 1973 Paris Agreement Anniversary

BK0202063193 Hanoi VNA in English 0550 GMT 2 Feb 93

[Text] Hanoi VNA Feb. 2 - A seminar was held here recently on the occasion of the 20th anniversary of the signing of the 1973 Paris Agreement to end the U.S. war in Vietnam.

The seminar was attended, among others, by General Vo Nguyen Giap, then commander-in-chief of the Vietnam People's Army, Vice President Nguyen Thi Binh, then head of the delegation of the Provisional Revolutionary Government (PRG) of South Vietnam, and many members of the delegations of the Democratic Republic of Vietnam and PRG at the Paris conference.

The papers and exchanges stressed the role of diplomacy in the anti U.S. War of resistance, the arts of combining military, policical and diplomatic activities and the world people's support for the Vietnamese people's struggle. Emphasis was also laid on drawing experience for the country's diplomatic activities in the new situation.

Premier Chairs 29-30 Jan Government Conference

BK3101143593 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 30 Jan 93

[Text] On 29-30 January, the government held its regular conference under the chairmanship of Prime Minister Vo Van Kiet at the Thong Nhat Conference Hall in Ho Chi Minh City.

At the conference, Comrade Phan Ngoc Tuong, minister and chairman of the Government's Cadre Organization

Committee, reported on the government's draft decree on tasks, authority, and responsibilities of ministries and agencies at the ministry level in the field of state management. Comrade Dau Ngoc Xuan, minister and chairman of the State Commission for Cooperation and Investment, reported on the government's draft degree on implementation of the bill on amendments to some articles of the Law on Foreign Investment in Vietnam. Comrade Nguyen Cong Tan, minister of Agriculture and Food Industry, reported on the draft report on results of the development of agro-forestry-fishery and socioeconomic domains in the countryside since implementation of the Party Central Committee Political Bureau's Resolution No. 10, as well as orientations for agricultural development until the year 2000. Comrade Bui Thien Ngo, minister of interior, reported on the results of the execution of court verdicts. Members of the Cabinet discussed and contributed ideas to these draft decrees and reports.

The conference also discussed measures to apply and implement these government decrees in daily life. The conference stressed that all members of the Cabinet must strive to speed up their tasks and avoid deferring work to other echelons or agencies. They must strive to avoid systematic delegation of their authority to the lower echelons or arbitrary changing of the table of organization not in conformity with reality. Each ministry and agency at ministry level must review their regulations to cancel obsolete provisions and to supplement the weak ones, to avoid duplication of work between ministries and agencies at the ministry level, to improve the organization and to speed up tasks, to eliminate inconveniences, and to strengthen training of cadres to meet requirements of agencies as stipulated in various government decrees.

Regarding the government's draft decree on implementation of the Law on Foreign Investment in Vietnam just passed by the Ninth National Assembly's Second Session, all Cabinet members unanimously agreed with the policy to allow Vietnamese private enterprises to enter into investment cooperation with foreign business companies in such fields as allowed by the Law on Business Enterprises.

The Cabinet also spent time discussing the draft decree on establishing the export-processing center, on signing business transfer contracts, and on other measures aimed at promoting foreign investment in Vietnam.

The Cabinet appraised results on development of the agro-forestry-fishery and socioeconomic domains since implementation of the Party Central Committee Political Bureau's Resolution No. 10. The Cabinet noted a relatively quick increase in agricultural production and a further improvement in the peasants' daily life during the past period. In this spirit, the conference asserted various key objectives and measures aimed at strengthening the economic structure, promoting household economy, developing various economic components, stabilizing the peasants' daily life, supplementing various macro-policies, especially those on promoting investment, credit, agricultural insurance, marketing, scientific-technological research, as well as policies on social welfare in the countryside and on building new rural areas. Efforts must be made to renovate the management of cooperatives and state-run business establishments belonging to the agro-forestry sector.

Members of the Cabinet also agreed that it is necessary to promulgate the ordinance on execution of prison terms and amend old and obsolete legal documents pertaining to this issue.

The prime minister also charged various ministers concerned with the duty of soliciting ideas from other Cabinet members to supplement and perfect various draft decrees and other legal documents for submission to the National Assembly Standing Committee and the SRV president for consideration and approval.

Textile Export Target for EC Set at $250 Million

BK3001153893 Hanoi VNA in English 1455 GMT 30 Jan 93

[Text] Hanoi VNA Jan 30—In 1993, Vietnam plans to export about 250 million USD [U.S. dollars] worth of textile products to EC market of which garments products will account for 40 million US dollars.

EC has granted to Vietnam relatively big import quotas for cotton jackets (7.4 million), trousers (2 million), men's shirts (one million), women's shirts (one million).

A bilateral textile trade agreement was initialed between Vietnam and EC in Brussels in 1992.

Australia

Indonesian Envoy Warns Against 'Sermonizing'

BK0302135993 Melbourne Radio Australia in English 0803 GMT 3 Feb 93

[From the "International Report" program]

[Text] Indonesia's ambassador to Australia, Saban Siagian, has warned Australia against sermonizing or passing judgments on its Asian neighbors. In evidence to a parliamentary committee in Canberra, Mr. Siagian said Australia's proximity to Asia would cause sparks but Australia needed to show greater emphasis for the region. Mr. Siagian said Indonesia would not negotiate with outsiders on the future of East Timor and violence in the province could be seen as part of the development process. From Canberra, Graeme Dobell reports:

[Begin recording] [Dobell] The parliamentary committee on foreign affairs is nearing the end of its enquiry on bilateral relations with Indonesia and made the point that this is the first it had ever taken evidence from a foreign ambassador. Mr. Siagian said the committee report due later this year could make immense contribution to the Indonesia-Australia relationship which had come a long way in the last five years. The ambassador argued that if Australia and Indonesia work hard the dealings could become a model for North-South cooperation.

[Siagian] Therefore, Indonesia needs an Australia which conveys its values on what it constitutes a humane and democratic society to its neighbors without sermonizing them nor instantly judging them because of what are perceived as their ethical imperfections.

[Dobell] The ambassador's call for Australia to show empathy or even solidarity with its region led to a lengthy discussion on Indonesia's actions in East Timor. Mr. Siagian said the disorder around the world reinforced the caution of the Jakarta leadership about any threat to the unity of the Indonesian state. The ambassador was asked whether Indonesia was bothered by the international attacks it faced over the incorporation of the former Portuguese colony and the lack of any United Nations recognition of the takeover.

[Siagian] Yes. It does bother Indonesia of course and we are, perhaps, to be frank with you, perhaps, and this is my strictly personnel opinion, we sort of underestimated the ramifications of the East Timorese youth. It does not mean, of course, when you refer to the right of [word indistinct] of the United Nations. What is the United Nations? We are the United Nations. You should also include that Australia recognize East Timorese part of Indonesia. So, it is not rigid empathy the absence of recognition or the recognition later. The United Nations is seized with so many problems. So, that could change too. The key is with us, Indonesia, you see, and there is the determination. We are not the perfect nation, I can say that openly on the record, but we are determined, you know, to manage the development of East Timor, to enhance the social welfare of East Timor, including the participation in the process of government.

[Dobell] Mr. Siagian repeated that Jakarta would not negotiate with any resistance elements outside its borders on the future of East Timor and any proposal that questions the status of East Timor as Indonesia's 27th province could not be considered. The ambassador said recent violence in East Timor could be seen as an unhappy part of the development process and he told of comparisons with the early history of the United States and Australia's treatment of Aborigines.

[Siagian] You know, in the history of developing countries and the role of violence, certain events are related to violence when countries rapidly modernize themselves. You see that in North America, you see that in this country, you know. I was given a book as my Christmas present, a fact book on the Waterloo Creek massacre. Of course, if possible we avoid that. In the modernization process of developing countries, shall we say sometimes it's unavoidable and now we are not [word indistinct] about that. [end recording]

Criticizes 'Interference'

BK0402090393 Jakarta ANTARA in English 0805 GMT 4 Feb 93

[Text] Canberra, Feb 4 (OANA/ANTARA)—The Indonesian ambassador to Australia blasted certain circles in the country here Wednesday for continous meddle in Indonesian domestic affairs, saying that no government anywhere in the world was free from shortcomings in its efforts to materialize its aspirations.

Ambassador Sabam P. Siagian told Australian Federal Parliament that personally he could understand the tendency of some Australians to ask questions about Indonesia, but he also said that he would appreciate it very much if they could be forwarded in a proportional way.

As the world's largest archipelagic state with a very large multi-ethic population, Indonesia is facing no easy task despite its relative success in boosting its economy. "I wish everybody would realize it," Siagian told the federal parliamentary subcommittee of foreign relations. The bilateral relations between Indonesia and Australia are often colored with differences especially on the sensitive issues of human rights and democratization, prompting some observers to describe the two countries as strange neighbors. However, in the last few years, Jakarta and Canberra apparently have been able to build a better understanding thanks to endless efforts of both Indonesian and Australian diplomats.

"I am also glad to notice that Australians' fear for the 'threat from the north' has begun to fade away," Siagian said.

According to Siagian, Indonesian legislators were also often critical of Australia and this should encourage the two countries to launch criticisms in the context of mutual and positive interests. The ambassador acknowledged that Indonesia's progress in the last 25 years had also resulted in more calls for human rights promotion and democratization.

Asked about East Timor following the arrest of Jose Alexandre Xanana Gusmao—formerly the leader of Fretilin Security Disturbing Movement (GPK)—Siagian said, now the important thing is to boost development activities there and Australia surely can lend a helping hand as usual. He also said that Jakarta continued to hold dialogs with various parties to settle the so-called East Timor issue.

Siagian was requested to speak before the parliament to provide inputs for the evaluation of the Indonesia-Australia relation in the last five years. Also attending Siagian's presentation were critical legislators like Ian Sinclair, M.A. Chamarette, and V.M. Bourne.

Siagian, who started his ambassadorial posting in 1991, is often described as a flamboyant envoy. Previously he was the editor-in-chief of the JAKARTA POST English daily.

Fiji

Indians' Land Leases Likely To Be Extended

BK0202060693 Melbourne Radio Australia in English 0500 GMT 2 Feb 93

[Text] Fiji's prime minister, Sitiveni Rabuka, says the government is likely to extend leases under the controversial Agricultural Landlord and Tenants Act when they expire in 1996.

Fiji's Indian farmers currently hold more than 20,000 leases on Fijian-owned land. Some 600 leases expire in four years, raising the question of what will happen to the tenants.

The FIJI TIMES newspaper quoted Mr. Rabuka as saying the government would look at the issue and leases might be extended until the matter was resolved.

The opposition leader, Jai Ram Reddy, has said the expiry of leases should not be used by the government to put pressure on the Indian community to accept the 1990 constitution which gives political preference to Fijians.

Visa Restrictions for Foreign Journalists Lifted

BK0302070393 Hong Kong AFP in English 0547 GMT 3 Feb 93

[Text] Suva, Feb 3 (AFP)—Fiji lifted Wednesday visa restrictions on foreign journalists that have been in place since the 1987 coup here.

On the instructions of Prime Minister Sitiveni Rabuka, Director of Immigration Jone Tevita announced visiting journalists would no longer be required to apply for special permits for short-term visits to Fiji.

The Fiji Islands Media Association (FIMA) and the Pacific Islands News Association (PINA) welcomed the move.

Tevita said in the directive that visiting journalists and film crews would no longer require a permit or have to pay a special levy "if the visit is less than 14 days."

The move fulfils a promise made by Rabuka during his visit to Australia last year following his election to the premiership in June, in the first polls since he toppled the government of Timoci Bavarda in 1987.

FIMA president Stan Ritova said restrictions making it difficult for journalists to enter the country had tarnished Fiji's image overseas because it appeared the government had something to hide.

"Major General Rabuka said during the general election last year that he would lift the restriction when he became prime minister and he has made good his promise," Ritova said.

He said it was fitting the announcement came as FIMA and Fiji's news media prepared to host the PINA conference here in July.

"This is likely to be the biggest gathering yet of journalists in the Pacific region and it is going to be an opportunity to show just how free the news media is now in Fiji," Ritova said.

PINA president Monica Miller, from American Samoa, welcomed the decision.

Miller said Papua New Guinea was now the only Pacific country with a permit requirement for visiting journalists and she urged Port Moresby "to reconsider its position.

Papua New Guinea

Survivor: Soldiers Killed Unarmed Bougainvillians

BK0402103593 Melbourne Radio Australia in English 0803 GMT 4 Feb 93

[From the "International Report" program]

[Text] A sole survivor from a group of Bougainvillians, shot at by Papua New Guinea [PNG] soldiers last Thursday while returning to Bougainville from Solomon Islands, says most of his companions were killed after they had surrendered. PNG claims the Bougainvillians were involved in a gun running operation. Sean Dorney reports that at least eight people were shot dead.

[Begin Dorney recording] It is difficult to obtain accurate information on anything that is happening on Bougainville. These days the media is refused free access to the island and a doubtful source of much of the so-called news that does get out is a Bougainville interim government spokesman in Honiara, Martin Miriori, who is prone, as any propagandist naturally is, to wild claims and accusations.

The first I heard of this particular incident was a Martin Miriori news release saying six Bougainvillians had been shot dead by PNG security forces in a canoe at the mouth of the Luluai River, off Southeast Bougainville, after returning from a trip to Solomon Islands. Checking it up with the PNG authorities, I listened to the statement from the minister for Bougainville affairs, Michael Ogio, who said the death toll was not six but nine. He claimed all nine were armed members of the Bougainville Revolutionary Army [BRA] and the PNG troops had intercepted a gun-running operation. After the shoot-up he said the security forces had recovered two rifles and 12 boxes of shotgun cartridges.

In recent weeks the Solomon Islands Government has arrested a number of Solomon Islanders and charged them with supplying ammunition and guns to the BRA. However, killing nine allegedly armed people but recovering only two guns left a question or two to be answered, and now [there is] the sole survivor who told his story. This too has come from Miriori's office, but apart from one or two details it carries information I have been able to check independently.

The survivor is Maurice (Tua), a former journalist with the Bougainville weekly newspaper, THE ARAWA BULLETIN. I know Maurice. His story is that the soldiers pursued their motorized canoe in a motorboat and shot one of the occupants dead. The canoe's motor stopped and the soldiers ordered those remaining on board to jump into the water. Maurice says they asked to be taken prisoner, but the PNG soldiers said it was too late to ask for mercy and they had to be killed. The soldiers then started firing. Maurice was wounded with bullets in his head and shoulder but was washed ashore where he was found and taken to the nearby Koromira Catholic Mission for treatment. According to the information I have got, only two of those on board were armed members of the BRA. [end recording]